CUSTOMERS' SATISFACTION AND RETENTION IN BANKING INDUSTRY IN NIGERIA
(A CASE STUDY OF SELECTED COMMERCIAL BANKS)

BY

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

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DECLARATION

I hereby declare that this project was written by me based on research findings conducted by me personally. And to the best of my knowledge, this work has not been published or presented in any form for any degree.

All sources of information used for this write-up are dully acknowledged in the foot-notes or references.

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CERTIFICATION

This Project entitled "Customers' Satisfaction and Retention in Banking Industry in Nigeria: A Case Study of Selected Commercial Banks" written by AIYEDUN, TOYIN IGBEKELE (MRS) meets the regulations governing the award of the degree of Master of Business Administration (M.B.A) of Ahmadu Bello University, Zaria and is approved for its contribution to knowledge and literary presentation.

SUPERVISOR	7/9/2000 DATE
EXTERNAL EXAMINER	3rd July 2000 DATE
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DEDICATION

This piece of work is dedicated to

my children Yanmike and Oluranti Aiyedun

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ABSTRACTS

There has been series of criticisms in the news media newspapers journals, publication seminar papers etc, against the quality of service rendered by commercial banks in Nigeria.

Commercial Banks have been accused of providing inadequate services which subsequently lead to customers dissatisfaction. Such accusation include long ques in the banking halls, non-challant attitude of bank officials to their customers, discriminative attitude in favour of wealthy customers, friends, relations and those customers they are acquainted to, when providing services and also there is no adequate facilities in the banking halls.

The banking services in Nigeria are such that they are offered to customers as if the business itself is not aimed at making profit.

Bankers have refused to realise customers are assets of the bank.

This project is made to look into the services rendered to custoners by the banking industry in Zaria, Kaduna metropolis, with a view to determine if the customers are satisfied or not, if bankers are actually meeting customers expectation and also to examining the level of customers retention in banking industry.

This project is also aimed at assisting bankers and customers to know their responsibilities, rights and

obligations as the case may be.

The relationship between bankers and customers in our banks particularly commercial banks has motivated the researchers choice of this project topic.

There has been a long time standing complaints of poor customers' services in bank and there is need for more knowledge and understanding on banker-customer relationship.

There is a legal relationship between a bankar and a customer created by law.

This law imposes some duties on both bankers and customers and any breach of the duties by any of the parties can attract court action.

The research study carefully examined different categories of customers in order to clearly distinguish the rights and obligations of each of them and also the responsibilities of bankers to their customers. When both parties knows their duties, rights and obligations to one another the level of customers satisfaction will increase.

This study is lso aimed at examining services which must go beyond satisfying customers. They must build relationship that will result in customer retention.

There are various states of satisfaction with a service, this study will also assist the bankers to know the various states of customer's satisfaction. These customer's satisfaction states are angry, dissatisfied, irritated. OK, pleased and excited.

Commercial banks should know by now that merely satisfying customers will not be enough to remain competitive in today's global market.

Also highlighted is the effect of poor customers services and how it affects the overall profit of the bank, and the benefits of good customers service.

In the last chapter of this project recommendations are made which will be useful for good customers/bankers relationship which will result in bankers efficiency and customers satisfaction and this will lead to increase in bank profitability and high patronage.

CHAPTER ONE

1.0 INTRODUCTION

Banking industry is generally recognised and constitute an important element in the functioning of any financial system.

Banking industry is a service industry which is operated by parties involved for their benefits.

The Nigerian banking industry has witnessed a global growth in recent years due to the general global economic growth which has been facilitated by the macro-economic policies of the federal government in an attempt to redress the depressed Nigerian economy.

The global growth in banking industry in Nigeria can also be attributed to an aging population longer life expectancies, increased banking services awareness, higher per capital income, changing social and cultural values and advances in technology.

Generally banking is a marketing service which provides services to their numerous customers.

The era when commercial banks in Nigeria see no reason why they should design and adopt certain marketing strategies and selling techniques have passed.

Unlike the sellers of tangible products whose main aim is to formulate strategies of getting their goods to the final consumer, sellers of banking services have two ends to achieve in their marketing strategies.

The primary task is to mobilize funds for lending purposes by accepting deposits on various account as in the traditional practice of commercial banks.

The traditional approach to banking began to change as bankers came to realize that for them to achieve their stated objectives, they must "market" their product which is service.

Marketing has a role to play in any organization whether the organization is profit oriented or not.

During the period of structural adjustment programme (SAP) many banks were declaring huge profit while other sectors of the economy were severely hit by the depreciation in the value of the Naira.

One great and expensive mistake analysts make in assessing bank performance is the huge profit declaration, which was used as a test of economic efficiency.

Huge profit declaration by bank should not only be used as yardstick for measuring their efficiency, but of necessity be examined from the point of view of the customers satisfaction and the level of service quality in general.

When analysts asses banks performance with huge profit declaration questions that often come to mind are:

Does the banking service 100% perfect?

Do they render efficient services to their customers?

Are the customers adequately compensated for their patronage?

Many customers are concerned about the level of service quality which they get from bankers customers are not contented with the services banks offers.

The importance of customers in any business organization cannot be over emphasised.

Customers in banking industry just like in any other profit-oriented organization should be seen as the focal point of the operations, if the business wishes to survive in a competitive environment.

For banks especially customers constitute the most vital raw material for their operations.

Therefore customers should be treated as "kings".

This research study intends to determine the level of service quality, customer satisfaction and the extent of bankers effort on customer retention in banking services with particular reference to commercial banks.

Many people are concerned that the level of service quality has been declining over the years. Customers sometimes complain that services provided by personnel is poor. They feel some bank staff are too lousy, underpaid, undertrained and undermotivated to provide good services.

1.1 PROBLEM STATEMENT

Banks are service organisations which do perform quite a number of useful services to their numerous customers.

The following functions are being performed by banks according to the banking ordinance of 1952 as incorporated in

the banking Act of 1970:

a) Acceptance of Deposit

b) Granting Credits Facilities

c) Assumption of Guarantee

d) Buying and Selling of Securities.

Despite all the numerous services banking industry extend to their customers, there are still criticisms by customers, the government and general public as a result of their services and customer relationship.

Some customers complain specifically that despite the automation of these banks their services were still tardy and discouraging.

This research study is centered on commercial banking services and how satisfactory these services are in today's economic development and also extent at which banks strifes to retain their customers in the face of high competition within banking industry.

Satisfactory services is highly essential if the bank is to achieve its corporate image and also able to enter the highly competitiveness within banking industry.

The distinctive nature of banking is commitment to the quality of service it renders to its numerous customers as they (customers) are the heart beat of the bank.

It is however still surprising why most banks fail to recognise the importance of these customers to them.

There have been series of complaints against the poor

services performed by the bankers to their customers and the double personality traits by staff. They work hard to satisfy and retain their big account holders's customers and give them preferencial treatment despite the fact that they are the minority, majority who are mainly salary earners and petty traders are neglected in terms of customers satisfaction and retention.

A good number of bank custoners have decided for one reason or the other to close their accounts with some banks due to the bank staff's nonchallant attitudes.

This poor attitudes of bank staff may also account for one of the reasons why about 86% of total cash in circulation is said to be outside the banking industry.

Some custoners complain of being insulted by the bank staff. Others complained of unnecessary delay when carrying out an ordinary transaction.

Some customers find it difficult to understand why average customers who are salary earners find it difficult if not impossible to secure a loan or even an over draft of N10,000 (Ten thousand Naira), but some customers whom they (bank staff) term as big account holders walk out of bank with millions naira loan without any collateral.

The problem of voluminous documentation before some vital transactions are made in banking operations are other areas where customers complain seriously.

This problem is more notable in transactions relating to

foreign exchange.

Excerpt a customer has a strong connection in the bank he or she cannot get basic Traveller Allowance within two days.

The last two decades has been regarded as the decades of computer application in various economic spheres all over the world, banking sector of the economic is no exception to this technological innovations.

Although some banks claim to be computerised a close view of some of these banks shows that their claim is not true.

A bank that claim to be computerised cannot give accurate account of a customer a day after transaction, for instance if a current account holder withdraws money from his or her account today by the following day the account will still be reading the old balance before the previous day's withdrawal.

It is obvious that most of the banks that claimed that they are computerised is usually at the bank head office and other key offices and branches of the bank.

Some banks employment are based on political affluence and quota system regardless of the person's professionalism. When a wrong person is placed on a job it does not enhance quality of good service to customers neither will it enhance good quality management of the bank.

1.2 OBJECTIVES OF THE STUDY

The main purpose of this study is to examine the current level of custoners' satisfaction and retention in the banking industry.

We shall examine the following objectives:

1. To carry out analysis of the current services banks offer to their customers.
2. To know the extent of customers dissatisfaction.
3. To critically investigate the criticism of poor customers' services often levellled against the banks.
4. To educate the customers and the general public as to the role that banks are expected to play within the society which will enhance good customers/bankers' relationship.
5. To study the attitudes of bank staff to their customers.
6. And to find solutions to the problems which the research study may reveal in the course of this study.
7. How long do customers wait before they are being attended to?
8. What strategies should they use to attract and retain customers?

1.3 RESEARCH METHODOLOGY

This research relys on both primary and secondary data. The survey method was used in collecting primary data.

Questionnaires were used (copy attached). Two sets of questionnaires were administered

Questionnaires A and B.

Questionnaire "A" was designed for bank staff of the chosen banks. The purpose was to obtain information concerning the services they render and their attitudes towards customers from their own point of view.

Questionnaire "B" was designed for a few randomly selected customers of the banks.

Secondary data were obtained mainly from published documents such as journals, relevant text books, newspapers, reports and magazines.

Verbal interviews were also conducted with bank officials and customers.

Part of the study are largely theoretical and were drawn from the works of prominent banking scholars and authors.

1.4 SCOPE OF THE STUDY

This research project is expected to cover the overall services of commercial banks in Nigeria and the level of customers' satisfaction and retention.

Two commercial banks are chosen as sample. The commercial banks are First Bank Nigeria Plc and United Bank for Africa (UBA).

The two banks form the case study of this research. This study is limited to banks in Zaria. This choice isbased on the recent crisis which prevented the researcher from moving out of Zaria and also limited time on the part of the researcher.

It is hoped that these banks would provide the research with all the necessary data required to give meaningful inferences about banking services in Nigeria considering the fact that banking amongst commercial banks in Nigeria do not vary significantly.

1.5 LIMITATIONS OF THE STUDY

The research study of customers' satisfaction and retention in banking industry has the limitation in obtaining relevant and up-to-date data and this constituted a serious constraint on the research work.

Banking industry is known for its secrecy. This act of secrecy by bank officials limited my accessibility to important records and documents.

Bank officials were not willing to comment freely on official matters, they viewed the research work as a fault-finding mission rather than an attempt to contribute to the increase in the efficiency on the banks.

Some questions asked by the researcher are not satisfactorily answered, this is also a limiting factor since it affects the over all findings.

Also the recent religious crisis in Kaduna State made it impossible for the researcher to extend her finding to Kaduna metropolis.

Finally lack of inadequate financial resource was a major constraint. But despite all these constraints the research objectives were achieved.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 INTRODUCTION

Like any other basic sphere of modern socio-industrial activities banking too, is important and purposeful monetary based media that nurses and norishes the socio-economic growth of a developing country.

As such the role it plays in present day commerce, trade and industry undoubtedly constitute an integral organ of overall development.

It is not certain how the world bank originated. Some authorities said that the word bank is derived from the words "BANCUS OR BANQUE" an Italian word which means bench. Other authorities held the view that the world "bank" is derived from a German word "Back" which means "joint stock fund".

There is no specific or standard definition of a bank or a banker, but a cursory look at the relevant legislation of the subject will give us a functional meaning of the word. The bills of exchange Act of 1882 in the United Kingdom as amended in Nigeria in 1964, has defined a bank as "A Body of persons whether incorporated or not who carry on the business of banking".

Dr. HART an eminent banking authority in England defined a Banker or bank as follows:

A banker or a bank is a person or a company carrying on the business of receiving monies and collecting drafts for

customers subject to the obligation of honouring cheques drawn on them from time to time by the customer to the extent of the amounts available on their accounts.

The Nigeria banking ammendment Act No 3 of 1970 defined banking business as "The business of receiving monies from outside sources as deposit irrespective of the payment of interest, and the granting of money loans and the acceptance of credits or purchasing of bills and cheques or the purchase and sales of securities for account of others or the incurring of the obligations to acquire claims in respect of loans prior to their maturity or the assumption of guarantees or warrantees for others or the effecting of transfers and clearings and such other transaction as the commissioner may under the recommendation of the Central Bank by order published in the Federal Gazette designate as banking business.

Lord Dennings has said "there are two characteristics usually found in bankers today:

1. They accept money for and collect cheques from their customers and place them to their credit.
2. They honour cheques or orders drawn on their customers when presented for payment and debit their customers accordingly.

F.E. Perry & G. Klein the authors of dictionary of banking defined bank as "A body corporate or not that has been recognised by the bank of England under the banking Act, 1987

to accept deposits as fefined by the Act other than this recognition.

As a verb, to bank, this term indicates that a customer has paid in for the credit of his or her account a sum of money, cheques or other financial documents.

From the above definitions no one and nobody cooperate or otherwise can be a banker who does not:

1. Take a current accounts
2. Pay cheques drawn on himself
3. Collect cheques for customers.

Any person who carries on banking business as above definitions can be called a bank. This can include a commercial bank, an acceptance house and a financial institution.

The principal business of a banker is to receive money from customers either on current or deposit account and in the former case to pay cheques drawn by the customers.

A banker also discounts bills promisory notes and makes advances either by way of a loan or an over draft.

CUSTOMER:

There is no statutory definition of the word customer, generally it is said that, a customer is a person whether incorporated or not who has some sorts of accounts with the bank, and the relationship usually commences as soon as the account is opened.

The word customer denotes a relationship resulting from

a habit of continued dealings.

In banking a habit of continued dealings will not normally make the party a customer of the bank unless contractual relationship is established and an account is opened in his or her name.

A person who had been cashing cheques from the dependent bank over several years is not a customer of the bank by merely cashing cheques.

A stranger could become a customer as soon as an account is opened in his or her name.

2.2 MARKETING CONCEPT

The most important objective within an organisation is to understand the needs and wants of customers and to design the organisation in such a way that it satisfies them by delivering goods and services that meet their demands at a profit.

The marketing concepts is based on three (3) fundamental beliefs:

1. All company planning and operation should be customer oriented.
2. Profitable sales volume should be the goal of the firm, and not just volume for the sake of volume alone.
3. All marketing activities in a firm should be organisationally coordinated.

According to William Stanton - Marketing Concept is "a philosophy of business that states that the customers' want

satisfaction is the economic and social justification for a firm's existence".

Consequently, all company activities must be devoted to find out what the customers' want and then satisfying those wants while still making a profit.

Philip Kotler sees the marketing concept as "a management orientation that holds that the key to achieving organisational goals consists of the organisation's determining the needs and wants of target markets and adopting itself to delivering the desired satisfactions more *effectively and efficiently than its competitors*".

The view that the consumer is the focal point of the firm is the fundamental principle of the marketing concept - captured in the slogan. "The Consumer is King" there are other slogans that express this point of view:

> "We do it all for you" - Mc Donald's
>
> "You're the boss" United lines "Your satisfaction is our concern".

Of course, it is easier to put the marketing concept into slogan than into practice. In fact, often customers feel more like serfs than kings.

In the past banks were not marketing-oriented. They relied on their reputation and waited for the customers to come to them.

Following deregulation, competition in the financial services market increased substantially. Banks found that they

were operating in a much more dynamic, volatile environment.

They expanded their products ranges (services are banks' products). In an attempt to provide services to meet all the financial needs of their customers.

Banks had to alter their marketing strategies, to respond to the more sophisticated customer and the new fast moving environment in which they now found themselves operating.

It is noticeable that the training for bank staff includes gaining product knowledge and learning how to sell appropriate services to customer to satisfy their adoption of the marketing concept. Banks have realised that in order to be profitable and successful, it is essential for them to adopt the marketing concept and so improve their marketing orientation.

This has been done with varying degrees of success by the banks.

2.3 REVIEW OF VARIOUS CONTRIBUTORS

DEVELOPMENT IN THE BANKING INDUSTRY BY MR. GODWIN OBOH:

The Nigerian banking industry has gone through fundamental changes to get to its present stage. From a one bank industry in 1894, it has expanded and diversified to embrace a substantial number of commercial banks. As at December, 1997, there were 2477 commercial banks branches within and outside the country. Total resources of bank in Nigeria represented about 85% of financial system resources in 1997. To understand this level of expansion it is expedient to

examine the crucial issues and landmark events that influenced the course of the Nigerian banking development. Broadly the three major landmark development include amongst others, the following:

- Legal and Regulatory frame work.
- Liberalization and Deregulation.
- Fraud and Distress.

In consonance with the practice of banking in other economic regulation was introduced early in the development process of Nigerian banking industry to check the incidence of fraud, distress and failures. The banking failures recorded in the early 1950s necessitated the introduction of a formal framework for banking supervision and regulation in Nigeria. After the 1952 Banking ordinance which marked the beginning of actual banking regulation in Nigeria, the legal frame work for the operation of banks gradually emerged with the promulgation of the Central Bank of Nigeria (CBN) Ordinance in 1958, Nigeria Deposit Insurance Corporation (NDIC) Decree No. 22 1988 as well as banks and other financial institutions (BOFID) Decree of 1991. The content of these laws as amended up to 1997 formed the pillars of the regulatory framework for banks in Nigeria.

Other contemporary and most recent legislations geared towards influencing and sanitizing the activities of the banking sector include the failed banks (Debt Recovery) and Financial Malpractices Decree 18 of 1994, Foreign Exchange

Monitoring and Miscellaneous Provision Decree No. 17, 1995; as well as the Money Laundering Decreee No. 3, 1995.

Also of significance is the Controversial Financial Services Regulation and Co-ordinating Committee (FSRCC) established in 1997 to harmonise standardise and synergise the activities of various Regulatory Authorities.

The impact of these legislations on the banking system and development in this country need not be over emphasised.

In the bid to forge market based banking structure and align banking sector operations with the other reforms occasionned by the Structural Adjustment Programme of 1986, the policy of financial deregulation was adopted in the late 1980s and early 1990s. Thus bank licensing and operations were liberalised on the one hand, while on the other hand, policies such as rural banking programme were being enforced ostensibly to improve banking coverage and habit in the country.

Although the objective of the Structural Adjustment Programme (SAP) was not fully realized, the gains were arguable and distorted. The post SAP period witnessed unprecedented growth in the number of financial institutions, spread of branch network and scope of financial operations.

Hence, within the last two decades the number of commercial banks had risen by 210% from 20 in 1980 to 64 in 1997 Branch Network of commercial banks grew by 162 per cent from 740 branches in 1980 to 2330 branches in 1997, out of which 615 were loss in making rural branches.

Increased number of banking products were introduced into the market in response to the high level of competition and custoner demands.

In spite of the regulatory frame work put into place, banking liberalisation degenerated into a laissez-faire banking of the pre-regulatory era and bred serious abuses by fleet-footed practitioners, a situation which contributed immensely to the marginal firms resorted to price offerings way above the industry's average cost of funds as a result of which interests rates went high and out of control. Policy inconsistency and somersaults worsened the situation through the introduction and termination of financial reforms in quick succession. The policies of complete regulation, deregulation regulation and guided deregulation of interest rates are still fresh in the memory.

These set-backs necessitated the financial reforms of the late 1990s geared towards tightening the regulation and supervision of the system and harmonising the country's banking practice.

Juliet[1] sees banking in this modern day as become more competitive and innovative. The competition has gotten to a level where customers are regarded as kings. This makes it imperative for the seller (bank) to work very hard to improve on the quality of their services.

A bank patronage will not only depend on its commitment to customer satisfaction and efficiency, but the speed at

which these services are rendered.

At least, it is on record that every bank advertises their special products and services which are meant to satisfy customer needs.

In a bid to achieve this customer satisfaction, many banks have begun initiating strategies for repositioning in the millenium.

Hidden Jewels[2] in his articles noticed that profits were eaten away not by high costs but lousy lending.

Better controls over loans would have saved more money than shifting branches and left intact the scope for the future earnings.

That the banks have forgotten that successful banking is driven by revenue not by costs. He went further that but if banks are related thinking about how best to satisfy their customers, they should pause before trimming their branch networks any further. Whatever form it takes, physical presence seems to be essential if banks are to be complete effectively and customer satisfied.

David Kurtz & Kenneth Clow[3] Satisfaction or disatisfaction has been called an episodic measure in that it relates to the last service experiences. Research has found that customers' perceived evaluation of service quality has an impact on their level of satisfaction. Therefore service quality evaluation is an antecedent to customer satisfaction.

Comments such as in the past they have done a good job,

but I was really disatisfied with the service this time indicate the episodic nature of customer satisfaction.

If a service firm has performed well in the past and if the service failure is not too serious, the customer will usually give the firm another chance.

If the service performance is below the adequate level of expectations, the customer will be dissatisfied.

Business buyers and consumers experience various states of satisfaction with a service.

These customer satisfaction states are angry, dissatisfied, irrietated, ok, please and exicited.

The state of satisfaction is determined by how consumers perceive the service they received compared to what they had expected prior to the service. Understanding customer satisfaction will help firms understand why they must go neyond customer satisfaction.

Merely satisfying customers will not be enough to remain competitive in today's global market.

One goal of managing supply and demand and enhancing productivity is to provide customers with a more consistent and higher level of service quality. This increase in the consistency and level of service quality should produce a higher level of customer satisfaction. With increase customer satisfaction should come future repeat purchase behaviour.

David & Kenneth are of the opinion that satisfied customers do not always remain loyal to the company. They

still go to competitors because of a lower price, superior service or some other reason. They may switch simply because they are bored with the current firm and want some change or new sensory stimulation. Therefore, services must go beyond satisfying customers.

They must build relationship that will result in customer retention.

Future purchase behaviour is determined by more than customer satisfaction, service firms must look at ways to develop stronger customer relationships. The key to stronger relationships is in the concept of developing and managing the customer value package. There are four factors which make up the customer value package, these are price, technical service quality, functional service quality and company image. Customers will tend to patronize firms that offer the best values.

Dr. Jonah Ezikpe[4] the MD/CEO Manny Bank in account of his bank states the bank's mission statement states inter alia. To be a highly ethical first class financial institution providing efficient customer driven services world wide, customers satisfaction is therefore the heart beat of the bank.

Arogundade[5] said customers convinience and satisfaction should be the major consideration in banking halls to generate the aura of friendliness. He was of the opinion that customers will in future require a screenless counter in a person to

person setting arrangement so that transactions could be speedily accomplished in a friendly manner without conversations being distributed through several millimetres of glass and security grill seperation.

He feels the stern-looking middle aged cashier and branch managers be replaced by young and friendly faces in future.

The quality and standard of bank staff and their degree of responsibility will be such that could take on the spot decision and interact freely with customers to provide on the spot solution to problems on various aspects of banking products as customers will in future be impatient and will not tolerate situations where paying cashiers for example, will have to refer all withdrawals to the bank office for authority.

He conclude that technological development will more than ever be important in future banking. That automatic teller machines will not only be desirable but would be indespensable to enable customers have access to their funds and account related information on 24 hour basis.

Olashore[6] believe that banking is basically a service industry operated by human beings for the benefit of the general public. As such it is natural that the services provided by banks cannot be 100% perfect.

The fault may not lie entirely on the operators of the services. They may be due partly to institutional defects or the attitude of both the operators and consumers.

Olashore is not by any means suggesting that every consumer of bank services is necessarily dissatisfied with the services provided but the fact remains that different reasons exist for feeling dissatisfied with banks.

According to him the major causes of disatisfaction with or unpopularity of the Nigerian banks among the customers of their services are as follows.

The nature and functions of the banking institutions and the aspects of their operations which usually arouse criticisms among their customers, the constraints under which banks operate including prudential regulations and banking laws in the country, the attitude of bank personnel to customers and vice versa which breed mutual suspicion and/or jealousy; the reluctance of banks in adapting to changing patterns in business, especially the delay in applying modern technology to accelerate some of the more routine functions in their operations.

These factors cause customers some inconveniences and naturally arouse their disatisfaction particularly with regard to: The difficulties associated with obtaining bank credit, the problem of easy access to bank services inadequate information about the rules and regulations governing banking business, the assured high level of bank profits arising from supposedly too high tariffs; indifference in keeping customers informed about the state of their accounts including errors in rendering bank statements, the overbearing attitude of some

bank officials, the tedious procedures usually associated with opening of bank accounts.

He conclude that while most of the causes of dissatisfaction are capable of being eliminated through improved management system, some bank customers are bound to remain dissatisfied as long as their credit proposals are not met.

Many bank customers believe that they are entitled to bank credit facility on demand for getting that banks are primarily trustees of depositors' funds and as such they must organise their operations in such a way as to make it possible for them to meet the demands of their depositors as and when they are called upon to do so.

In discharging their functions of financial intermediation between savers (depositors) and users (investors) of financial resources, they must exercise adequate discretion in the conduct of their business in such a way that their commitments to the latter (investors) do not in any way impair their obligations to the former (depositors).

Orange[7] says in service find out what people want then give it to them.

Orange understand that all successful businesses put their customers first.

Maureen Moody[8] looks at "new" ways to win orders and influence people. The gap between hope and achievement is all

too common theme often discuss in a monthly sales meetings. Closing it can depend on many things such as more competitive pricing, faster delivery, different credit terms. Often however, only a radical review of the way the whole sales operation works will convert more prospects into business.

Far too many sales people either fail to relate well to customers or try to sell benefits that aren't needed.

And for too many sales are lost through poor internal communication.

To the sales director, customers enquiries are gold dust, but they often don't even reach the sales team.

Maureen believes coming in a random fashion they are at best passed to the wrong people at worst completely ignored.

Maureen believes if you sell a service or something that is not right for a customer, they are clearly unlikely to come to you again. If on the other hand you can give them something they will benefit from, you can start to build a lasting relationship with them.

The work of the sales and marketing teams does not end when a sale is made or a deal is struck, it just begins.

This is one of the principal tenets of one of the hottest new business school topics: Customer relationship management (CRM). CRM is designed to achieve a return to the old days of "corner shop", on going personal relationships with customers through the use of new technologies.

CUSTOMER SERVICE QUALITY MANAGEMENT BY TONY ANSELL[9]

The key to quality is fulfilling the customers' requirements. However, nobody deliberately provides a service a customer does not want.

The development of marketing in the financial services industry over the last 20 years has meant that all institutions recognize the need to identify customer requirements and to design products and services to meet them. Once these products have been designed, however, there is a need to ensure that standards continue to be met and that the reality of the customer service matches up to the theory of the product design.

Management of quality in a service industry often depends on the way in which the service is provided, rather than on the features of the product.

For instance, marketing department can develop a very effective new product, which offers a higher interest rate and less risk than other products.

However, if the account opening procedures are extremely cumbersome resulting in delays to the customer and a lack of understanding, then customer satisfaction will be low and it will not meet their requirements for an efficient and simple service.

Products can be well designed with straight forward operational procedures for handling them but can be ruined by delays and errors at a local level or by an impolite and

unhelpful service.

However well the new product is designed by the marketing department, service quality management is key to its effective delivery and the maintenance of customer satisfaction.

According to Tony in considering customer requirements and the degree to which they are satisfied, there is a need to identify the customer, ascertain their requirements and develop a tracking system to ensure that performance is maintained.

A service industry by definition, depends on the means by which the service is delivered. In a service industry the means by which the service is provided is paramount for instance, having identified and chosen a bank for a current account. Your view of the bank will depend on whether they make mistakes, how helpful they are intimes of need and the speed with which they replace cheque books etc. Most of the original reasons why you chose that bank, such as competitive bank charges, range of services or special offers are probably no longer valid as competitors will catch up and may provie better offers.

Intertia and the complexities of moving account will help you with the original bank providing the quality of service to the customer remains high.

A service is difficult to judge prior to the point at which the customer needs to make use of it. Most financial services are not concerned with one-off purchases but with

long-term relationships. Financial institutions must therefore take the opportunity to monitor their relationship closely to ensure that the customers' requirements are being met and that discontent is not building up. When a customer decides to move accounts there has usually been a long history of small areas of unhappiness which have not necessarily been adequately noted by the bank.

Ways therefore need to be found to track customer satisfaction and to react quickly and effectively where problems appears to be arising.

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CHAPTER THREE

3.0 COMMERCIAL BANKING SYSTEM IN NIGERIA

3.1 INTRODUCTION

Commercial banking is one of the principal types of banking in the modern industrial world.

A commercial banker is a dealer in money and in substitutes for money, such as cheques or bills of exchange. The banker also provides a variety of financial services. The basis of the banking business is borrowing from individuals, firms, and occassionally governments that is receiving "deposits" from them.

With these resources and also with the bank's own capital, the banker makes loans or extends credit and also invests in securities. The banker makes profit by borrowing at one rate of interest and lending at higher rate.

Banking business in Nigeria has its beginning in 1892 when the African Banking Corporation was established.

Sixty years after the establishment of the first bank, the first ever banking legislation was enacted. The African Banking Corporation was taken over by British Bank of West Africa which later became Standard Bank Limited and now First Bank Nigeria Plc, this bank became the first bank to commence conventional banking business in Nigeria in 1894, and renamed the only bank in the country. Later in 1912, the Barclays Bank joined which is now known as the Union Bank Nigeria Plc.

The early stages of banking development also witnessed

the establishment of indigenous banks such as National Bank of Nigeria which was established in 1933, African Continental Bank Ltd. established in 1947. The Agbonmagbe Bank was established in 1945, Nigerian Penny Bank, Bank of the North which was established in 1959 to mention but a few.

Between 1928 and 1952, the year when the first banking ordinance in Nigeria came into being, a host of indigenous banks were founded.

Just as banks were established and some survived during the free banking era, some banks also failed during the period.

Prior to 1952 there were all kinds of speculative investors who started mushroom bank in Nigeria. The banks operate for a while, and after collecting deposits from their customers, would disappears with their funds. The need for legislation for the control of banking operations in Nigeria became very apparent if only to protect depositors. The first attempt at regulating banking operations was made in 1952 with the enactment of the first banking Ordinance. It stipulated minimum capital base and licensing for banks.

By the time the ordinance became fully operational for all banks in the country in 1955 all the mushroom banks established since 1945 had collapsed except three. These were the African Continental Bank, Agbonmagbe bank and the Merchants Bank. Added to the Nation Bank of Nigeria which was incorporated in 1933, these were the only four indigenous

banks, which, along with the three expatriate banks survived the boom of the late 1940s and the early 50s.

However, Nwankwo noted that no new banks was established in Nigeria between 1962 and 1970. This must be due to the impact of regulations and the civil war (1967 - 1970).

The boom in commercial banking establishments between 1959 and 1962 can be explained by the realities of independence in 1960.

The period between 1959 - 1986 witnessed the era of regulations. The Central Bank of Nigeria was established in 1959 with powers to promote and integrate the Nigerian financial system.

The period between 1986 to 1993 is referred to as the second banking boom era because of the rapidity with which banks were established due to the deregulation of the Nigerian economy.

The Nigerian banking industry has gone through fundamental changes to get to its present stage.

From a one bank industry in 1894, it has expanded and diversified to embrace a substantial number of commercial banks.

Commercial banks were 20 in 1980, 26 in 1986, 58 in 1990. Between 1980 and 1997 commercial banks had risen by 210% from 20 in 1980 to 64 in 1997. There are currently over 70 commercial banks operating in the country with well over 2330 branches.

3.2 TYPES OF ACCOUNTS

To enable one benefit from all numerous services provided by commercial banks in Nigeria, one is expected to open an account with the bank. The main types of accounts that can be operated in commercial banking in Nigeria are discussed below.

3.2.1 CURRENT ACCOUNT:

The normal banking account is the current account which run on day to day basis. Current accounts are opened so that cheques can be paid into the account and also drawn on them. No notice is required before money can be withdrawn from this type of account, as such deposit in current account are said to be repayable on demand deposit account.

Before a customer can open a Current Account he is required to provide proper references.

Debit and Credit entries are posted to the account on the day of the transaction with the net balance shown at the close of business.

Bank pay no interest on credit balances on Current Accounts.

The customer is expected to maintain credit balance in his account except where he has been granted overdraft facilities. When the bank grants a customer an overdraft facility a limit is usually set, up to which he can draw.

Security may be required to support the overdraft and the customer is charged interest on such facilities. Beside, banks also charge fees for services rendered to Current Account

holders.

3.2.2 DEPOSIT ACCOUNT:

This account is operated by customer who want to earn interest on their money. The account holder can deposit and withdraw funds at short notice by using standard deposit and withdrawal forms supplied by the bank. In practice, the bank does not insist on any notice before deposit or withdrawal can be made.

It is relatively easy to open a deposit account since no references and cheque books are needed to operate the account.

A fixed deposit account is often opened for three (3) months, six (6) months, 9 months or 1 year. The bank pays higher rates of interest on such deposits, but are expected to be kept for the fixed period of time. Deposit accounts are also called time deposit unlike the current accounts no overdrafts are allowed on time deposits.

3.2.3 SAVINGS ACCOUNT:

Savings Account is operated by means of a pass book in which credit or debit antries are entered in accordance with deposits and withdrawals respectively.

Like the deposit account no cheque book is required to operate a savings account.

Funds can be deposited and withdrawn using standard deposit and withdrawal forms. Savings accounts attract interest at a fixed rates and funds can be withdrawn at any time the bank is open without notice.

3.3 SERVICES PROVIDED BY COMMERCIAL BANKS IN NIGERIA

Having discussed the types of account a customer can operate before enjoying the services provided by commercial banks in Nigeria, it is pertinent at this stage, to highlight such services.

a) Open Credit or Cashing Credits:

A customer travelling to another town to stay for some time to conduct business transactions can ask his bank to establish an open credit for him. The customer's bank can then arrange with the branch concerned to honour the customer's cheques up to a certain limit. The specimen signature of the customer will be sent to the branch concerned. This arrangement can also be made with a branch of another bank where it is not represented.

b) Travellers Cheque:

Teveller's cheques are a form of travel currency giving the holder the security of a letter of credit and the conveniences of a local currency. Travellers cheques are probably the most universally accepted method of payment for overseas travellers and indeed for payment in the United Kingdom, the United States and other foreign countries.

In Nigeria, travellers cheques are normally issued in dollars and pounds sterling. They are encashable at the correspondents of the issuing banks abroad.

Also, they are usually acceptable at hotels, departmental

stores etc. The holder of cheques signs them on their issue. When they are to be cashed, the holder countersigns them in the presence of the cashier who checks the signatures before effecting payment. The customer pays for them in full, plus the banks commission. In the event of loss or theft the issuing bank will arrange a refund of replacement provided the cheque were signed in the correct place at the time of issue.

c) Foreign Currency:

Foreign currency especially pounds sterling and U.S. dollars are available in limited quantities from all banks in Nigeria.

These can be obtained to meet minor expenses like taxi or bus fares prior to encashing traveller's cheques, when on a journey.

Unused Traveller's Cheques and foreign notes can be cashed on return from foreign travel at the issuing bank.

d) Safe Custody:

Valuable articles such as government stocks and shares certificates, life assurance policies, certificate of occupancy, deeds of conveyance, jewellery and wills are kept in banks strongroom for safety.

The relationship arising from safe custody of valuables is that of bailee (bank) and bailor (customer).

e) Status Inquiries or Bankers Opinion:

A customer can give his bank's name to a supplier or another bank for reference purpose.

In such a case, a request is sent to the customer's bank for brief assessment of the customer's financial standing.

The benefit that customers derive from this service is that the banks view or assessment of another customer can assist the inquirer to arive at a decision regarding the inquirer's financial standing, behaviour and financial prudence. Such information are crucial when financial contracts and agreement based on trust are being made.

This services can be provided in respect of both personal and business customers.

f) Loans and Overdrafts:

The loan facility is provided mainly but not exclusively, to sole traders and individuals such as salary earners to help them over a difficult period or supplement the payment of school fees, medical bills etc.

Commercial banks in present day Nigeria base their lending business on the concept of the overdraft "which in itself arose from the development of the current account, the issuing of cheques and the banks money transfer system" funds advanced on overdraft are in theory repayable on demand, while interest is payable on the outstanding balance on a daily basis.

Overdraft facilities are generally granted to business customers that is large corporate bodies and some small/medium scale enterprises. The funds advanced on overdraft are in theory repayable on demand while interest is payable on the outstanding balance on a daily basis. That is customers pay for only what he uses. Overdraft is the cheapest means of borrowing but it can only be obtained if the manager is satisfied with the customers integrity or customer's balance sheet.

g) Performance Bond

Performance bond is a service provided to a customer in the building and contracting business where they are required to supply a performance bond as a pre-requisite for contract bids. The bond is a guarantee that such business have adequate financial resources to excute the contract satisfactorily when a banker gives such a guarantee, it usually takes idemnity against the customer in case of default.

h) Guarantees and Indemnities

If a share holder loses his share certificate he can apply for a duplicate certificate. Beofre a company consent to such a request, it will want a banker to add his guarantee to the request to reasure the company of its genuiness.

i) Night Safe Facilities

Banks offer a special form of safe custody to their

customers at selected branches. This facility enables customers to make deposits after normal banking hours. The bank issues a night safe wallet which can be locked to the customer.

The customer puts his paying in slip and the cash in the wallet, locks it in and post it in the safe through the wall of the bank.

The wallet is cleared in the morning and the customers account credit.

j) Advice on Investments

Bankers are occasionally asked to give advice to their customers on investment, perhaps with increasing frequency in view of their own advertisements which offer this service.

Generally as far as any investment is concerned the advice that can safely be given will only be on the nature of types of securities, the risks associated with different classes and the returns which are available.

A banker is expected to have a good general knowledge of investment matter, for example he is expected to be able to discuss the relative merits, on the one hand, of government securities which provide a fixed return on capital.

k) Special Clearance

Sometimes a customer will wish his collecting banker to clear a cheque quickly so that he may know whether it is

paid or not and in such circumstances, on payment of a fee, the collecting banker will be happy to assist outside of the usual clearing system. Indeed, there will be occasions where the bank itself may wish to ensure that the funds in the customer's account represent cleared monies, and for its own protection it will clear the cheque specially.

l) Banker's Drafts

A bank draft is a cheque drawn by a branch of a bank on another branch. It is issued on request to a payee who wants to ensure that the cheque will not bounce.

Bank drafts are sought for when large payment are involved.

m) Bills of Collection

Exporters can request their banks to help them collect bills from overseas importers. In this regard the exporter draws a bill of exchange payable on a specified date to the importer.

The Nigerian exporter then gives the bill to his Nigeria bankers to collect the proceed on his behalf. The bank sends the bill to its correspondent in the overseas country and request that the bill be presented at the end of the term for payment. When the proceeds are received the customer's account is credited with the Naira equivalent. In some cases the customer may forward the bill directly to the importer in the overseas country for

acceptance after which the bill is returned to him. He then attaches the necessary documents to the bill when demanded, and passes it to his bankers who will forward it to overseas country concerned for payment.

n) Bills for Negotiation

If the customer is in dear need of funds and wants the proceed of the bill immediately, he may request his bank to negotiate the bill. This means that he sells the bill to the bank. The bank pays the customer the face value of the bill minus discount. However, such negotiation is done with the agreement that if the acceptor fails to pay the bank, the bank will claim from the customer.

o) Standing Orders

A standing order is a written request from a customer to the bank to render a service of payments, usually monthly or annually, either for a limited period or until further notice.

This kind of instruction might require the bank to make such payment as and when due. The banker is under no obligation to make a payment unless the account is in credit.

p) Mail/Cable/Telegraphic Transfer

A customer can transfer funds to a third party within and outside the country through his banker. Depending upon the urgency of the transfer, the transfer can be inform of mail or telegraph or cable.

q) Stops

A bank custoner who has issued a cheque and wants the bank to stop payment of the cheque, may telephone his bank to this effect. The bank will accept a countermand of payment however, a written note should follow immediately.

The customer is expected to quote the number of the cheque, amount, date and payee's name of the cheque in question.

The services rendered by commercial banks to their custoners are numerous and the list is in no way exhaustive, as new products/services are being added to the existing ones.

3.4 BANKER-CUSTOMER RELATIONSHIP

The relationship which exist between a banker and his custoner is contractual and fundamentally that of debtor and creditor. It consists of general and special contracts arising from particular requirements of the business of banking.

The relationship of a banker and custoner begins as soon as money or a cheque is paid in and the bank accepts it and is prepared to open an account. The word customers signifies a relationship in which duration is not of the essence.

A person whose money has been accepted by the banker under the footing that the banker undertakes to honour cheques up to the amount standing to the person's credit is a custoner of the bank irrespective of whether the correction is of short or long duration.

agent and principal, with the added obligation on the part of the banker to honour the customer's cheques if the account is in credit.

Time or duration however is not of the essence as to constitute a person as a customer of a bank.

Banker and custoner relationship is governed by:

1. The general rules of contract
2. The rules of agency, in circumstances where the banker acts as agent for his custoner in collecting or paying cheques on his behalf.
3. The rules of bailor and bailee where the banker retains his custoner's deeds and documents for safe-keeping.
4. Various rules of banking practice, evolved over several centuries, largely recognised and enforced by the courts.

BANKERS' RIGHT:

Bankers has the following rights towards his custoner:

a) The bank has an implied right to charge a reasonable commission for its services and interest on loans on terms agreed by the custoner based on the rules and practice of banking and guidelines dictated by Central Bank.
b) The banker has the right to dispose of the deposited amount as he pleases provided he returns the same amount on demand.
c) The banker has the right to refuse payment in the following conditions.

i. When cheque is not properly drawn.

ii. When there is legal ban for operation on the account.

iii. Insufficient amount in the account.

iv. When the cheque is a stale or post dated etc.

d) Unlike most agents, the bank has a general lien over customers' securities in its possession unless there is express or implied contact inconsistent with lien.

BANKERS' DUTIES

a) To receive the custoners' money and cheques and other instruments for collection.

b) To pay the whole or part of the money upon presentation of the customers written authority during banking hours at the branch where the account is domiciled or at other banks or branches as agreed.

c) To give reasonable notice before closing a credit account.

d) To maintain secrecy in respect of his customers' account and affairs.

e) To pay interest on savings bank account and time deposits.

f) To send a statement of accounts with correct entries to the custoners as per banking practices or as per any other agreement.

CUSTOMERS' DUTIES

a) To demand for the return of the amount deposited with the

bank.

b) To draw cheque carefully leaving no room for any fraudulent alteration.

c) To present the cheque for payment during office hours and in the branch where custoner has his account.

d) To pay a reasonable charge on demand for services provided by the bank.

e) To keep cheque book under lock and key so that no unauthorized person gets possession of it.

CUSTOMERS' RIGHTS

a) It is the customer's right to draw cheques against his credit balance and in the absence of balances when there is an agreement for accommodation with the bank.

b) To sue the bank for cost, loss and demages when his cheque is wrongly dishonoured.

c) To sue the banker when secrecy of the account is not maintained.

d) To instruct the bank to adjust the amount deposited by him against any loan.

e) To ask for interest on savings and time deposit accounts.

f) To avail all the services provided by the bank to its customers.

3.6 RESEARCH METHODOLOGY

For the purpose of this research two types of data were used. These are:

i. Primary data and

ii. Secondary data.

PRIMARY DATA

This is data collected for a specific purpose. This is done by actual eye witnesses or participation by the researcher.

The main advantage of obtaining such data is that the exact information needed is obtained.

The research method adopted for this study is the survey method.

Survey method consists of methods of gathering data from usually a large number of respondents who themselves constitute a sample.

The purpose of a survey is not the collection of data per se, but the discovery of meaning in the data collected, so that facts and events can be better understood, interpreted and explained. Hence the choice of this method.

The need for sampling becomes obvious because of the difficulties associated with studying the entire population. Hence samples are studied and inferences can be drawn about the population.

There are different types of surveys. These include, questionnaire, personal interview, telephone and observation.

The researcher made use of all mentioned above in the collection of primary data.

3.6.1 QUESTIONNAIRES

This is a device for obtaining answers to research relevant questions from a sample of respondents by using a form which the respondent either ticked or completed.

The researcher issued questionnaires to both bank staff and customers of the selected banks, this is to enable the researcher to know the level of customer-banker relationship, if customers are satisfied or disatisfied with bank services and the problems they encounter during transaction. The questionnaire for staff was set to obtain information concerning quality of services, condition of services and also problems they encountered in transacting their business, and also efforts made to improve on their services to customers.

The researcher personally administered the questionnaires to all the respondents.

The questions asked were made simple for both staff and customers. A closed-ended questions was used that is one which the responses of the subject are limited to stated alternative, this type of questionnaires was used by the researcher because it provided a greater uniformity of responses and are more easily processed.

The Advantages of this system are:

i. Questions are standardized simple to administer, quick and relatively inexpensive to analyse.

ii. It help to ensure that answers are given in a frame relevant to the purpose of the enquiry and in form that

is usual in the analysis.

iii. The respondent himself makes judgment about his attitude rather than leaving this up to the researcher.

iv. It helps those respondents that are not good in expressing themselves to tick from the alternative answers given.

v. The system aids the researcher in reaching a wider and larger number of respondents.

The disadvantages are:

i. The questions may force a statement of opinion on an issue about which the respondent does not have an opinion.

ii. The researcher's structured responses many over look some important responses that is the fixed alternatives. (A - D) may not give adequate representation of the responses.

iii. Lack of positive response is the major setback of this method because some of the questionnaires are not usually returned.

3.6.2 PERSONAL INTERVIEW

Interview as data collection techniques are meetings in which the investigator direct questions at the subject and records the obtained responses. The researcher made face to face interactions and some telephone conservations to get first hand information from those concerned. Unlike the questionnaire the researcher asked questions and recorded the answers.

The researcher interviewed senior and junior staff of selected banks with the intention of finding out the type of services they render and the problems facing them in the course of carrying out their duties, the researcher also dealt with the issue of delay in banks, average number of accounts opened monthly, the average time a customer spends before being served, the level at which management and staff of the bank strife to retain their customers.

Customers too are not left out, such questions such as whether they know the duties and responsibilities of bank towards them, the problems they encounter in their

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Customers too are not left out, such questions such as whether they know the duties and responsibilities of bank towards them, the problems they encounter in their transaction with bank.

The researcher made use of an assistant who was verse in major languages, the researher and the research assistants assisted to verbally translate the questions into the languages of the respondents (mainly some customers) who could not read or understand English language used as medium of communication.

The languages are, Yoruba, Fulani, Hausa, Igbo and Kaje. Personal interview method like any other method of data collection various problems were encountered. These problem ranges from communication, (hence the necessity of an assistant) some of the people interviewed did not give straight forward answers and also unrelated answers were given.

Most of the customers and staff approached gave the researcher their cooperation.

Advantages of the System:

i. This system allow for quicker collection of information.

ii. Interviews permit greater flexibility in the process of questioning. Topics can be introduced.

iii. Illiterates and subjects with reading deficiencies can be contacted unlike the questionnaire.

iv. Validity of responses can be accertained by further indepth probing of responses, hesitation, etc. in responding.

Disadvantages:

i. Interviews cost more than questionnaires because of greater cost per respondent and limitation of the number of persons than can be reached. And it is also time consuming.

Interviewer bias: The very flexibility that is the interviews chief advantage leaves room for the interviewers personnel influence and bias.

Finally interviews may take longer time than was envisioned and this may give rise to fatigue and consequently this may affect the manner questions are administered.

3.6.3 OBSERVATION

The researcher took time to observed activities of some banks within and outside selected banks for more than two weeks.

This enabled the researcher to study staff both over the counter and within the banking hall as regards their attitude to work and to customers generally. This method helped the researcher in assessing the quality, efficiency and the speed at which services were rendered to the customers. The researcher also observed with kin interest the relationship between the management and the staff that is the branch manager the branch accountant and the entire staff.

The advantages of this system are:

i. This method is most reliable because it is used to verify the information obtained in other methods.

ii. The researcher through his observation was able to see clear the relationship that exist between banker and customer.

Disadvantages:

i. It is time consuming.

3.6.4 SECONDARY DATA

Secondary sources of data are those which have been recorded by someone for other purposes. Such data were used in this research work. The main method used for collecting secondary data for this work is through documentary sources.

3.6.5 DOCUMENTARY SOURCES

This method is based on information from existing records. Documents both published and unpublished are vital source of data for this research work.

KASHIM IBR

A review of related literature like books, journals, magazines, newspapers, specially duplicated or printed materials published or unpublished does not only sharpen our understanding of the research problem and formulation of hypothesis but is also vital source of data. Hence in examining the customers satisfaction it is of viable use to source data from text books, relevant journals and other publications.

The Advantages of this System are:

i. This method save cost and time.

ii. It helped the researcher to get acquinted to the research topic.

iii. It is through past information provided by documentary records that the researcher makes deduction that will help her reach conclusion.

The main disadvantages of this method is accessibility to information.

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10. Class Notes.

CHPTER FOUR

4.0 DATA PRESENTATION, ANALYSIS AND DISCUSSION OF THE FINDINGS

4.1 INTRODUCTION

This chapter deals with the presentation of data, analysis of data and discussion of the findings of the data collected for this study.

As above this chapter is divided into three parts. The first part gives a brief history and services rendered to customers of the two selected banks namely first bank Nigeria Plc, and United Bank for Africa part two of this chapter is the presentation of data collected from the questionnaires.

The third part focuses attention on discussion of findings.

The study was undertaken to identify the true position of the services commercial banks rendered to their customers and the extent to which these services satisfied the bank customers.

This section is based on information obtained from the administration of two sets of questionnaires - questionnaires "A" and Questionnaires "B".

Questionnaire "A" was administered to bank staff only while questionnaire "B" was administered to Bank customers only.

These questionnaires were randomly distributed. 80 customers were interviewed in each of the banks selected.

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Altogether 150 copies of questionnaires B were personally administered by the researcher.

Questionnaire "A" was administered to bank staff, a total of 160 bankers were interviewed, 80 from each bank.

Out of the 160 copies of questionnaires A distributed, 150 were dully filled and returned. From 160 copies of questionnaire B 150 were dully filled and returned.

Information collected is the result of general findings on both sets of the questionnaires and the follow-up interviews conducted by the researcher.

Some of the questions put before the customers and bank staff include, speed of services, relationship between bank staff and customers courtesy, bank location, efficiency and general satisfaction. The information obtained from the questionnaires are compiled and tabulated.

The researcher received maximum cooperation from custoners as they were willing to express their views on the services they receive from their banks. And to the bank staff it was a case of allowing them a space to air their view on many allegations and criticisms often levelled against them.

4.2 FIRST BANK NIGERIA PLC

First Bank is Nigeria's largest bank. This bank was formerly known as Bank of British West Africa. This bank was established in 1894 in England with its head office in Liverpool.

The name was changed in 1957 to Bank of West Africa. Bank

of West Africa was merged with Standard Bank in 1966 and became Standard Bank of West Africa, which later became Sandard Bank of Nigeria Limited in 1969.

As a pioneer bank in Nigeria the name was later changed to the present name First Bank of Nigeria in 1977.

Today First Bank Nigeria Plc. is one of the largest banks in the country with 8 autonomous administrative divisions, 5 of which are regional in outlook to facilitate the administration of the branch net work nation wide.

First bank is Nigeria's largest bank by branch network with a total of 307 branches. It has held this position for years and stands a good chance of being unchallenged in the near future.

Its 307 branches nation-wide represents 23% of top 10 banks, total numbers of branches and 16% of the branch net work of all the functioning commercial banks.

The bank's total assets of ₦137,784 million in March 1999 is 19.8% of total commercial banking assets in Nigeria.

4.2.1 SERVICES OFFERED BY FIRST BANK NIGERIA PLC

First Bank Nigeria Plc has the following bank services in addition to those outlined in chapter two of this work. The services are as follows:

i. Providing Banker's Reference: The bank provide its customers with reference which may be required by a business concern or trade supplier willing to grant the customer credit. This is done on request by the customer.

Such reference will provide information about the customer's financial position in the bank.

ii. Local Travel: With the risk involved in travelling within the country with huge sum of money, a customer can make money available or credit arrangement with the bank which enables him to draw money at specified branches of bank in the areas to which he is travelling or the customer can purchase a Bank Draft for this type of transaction.

iii. The Bankers Order: For installmental payment such as insurance premiums, hire purchase, a customer can use banker's order. The bank will make payments on the customer's behalf provided he has money in his account. The bank charges a commission on this order.

iv. Foreign Transaction: FBN deals in foreign exchange transfactions, they deal in foreign currencies.

v. Transfer of Money Abroad: First Bank of Nigeria Plc. assists customers to send money abroad after such customers has compiled with the exchange control regulations; and also obtain the necessary approval to make the remittance.

vi. Western Union Money Transfer: First Bank Nigeria Plc. make it easier for their customers to transfer money from overseas. This actually started by receiving money from overseas and now It has been in operation domestically. A coded number or question is giving by the senders to the receipient which the receipient will give to the bank

before receiving the money. A commission is charged for this transfer.

vii. Value Card: This is one of the new services which the bank is still test running, not yet available in all branches only in few selected branches. A plastic card is given to the customer the customer load from where he has money and then down load where you need the money, the card is acceptable in some departmental shops.

viii First Cash: This is another new service operating by first bank Nigeria Plc., just like the value card they are still test running it and is not in operation nation wide a holder of this get weekend services by going to point where the machine is put in his card and press the numbers which is only known by him and get his money out.

ix. Providing Access to Consumer Loans: This enable the bank customers loans for assets acquisition such as automobiles. Generator sets, electronics, funiture, personal computers and other house hold, stock/shares of quoted companies.

There are other services rendered by First Bank Nigeria Plc. such as open letters of credit, enters into bonds, guarantees and indemnity in respect of import.

They give advice to their customers on investment opportunities within the country.

They also give useful information such as current regulation on foreign exchange, rate of local currency to

foreign currency statements saving scheme etc.

4.3 UNITED BANK FOR AFRICA PLC (UBA)

United Bank for Africa Plc. was established in 1948 as British and French Bank and because UBA in 1961. United Bank of Africa Plc is one of the three biggest commercial banks in Nigeria it was ranked third in banks branch net work in 1998 with 210 branches, 120 urban branches, 93 rural branches and 2 overseas.

United Bank for Africa Plc. as at March 1999 has total Assets Crossed the N100 billions mark.

Since its establishment United Bank has grown both in staff strength and share holders equity, and in the development of innovative products with a view to satisfy its numerous customers in the rural and urban communities and improving its competitiveness.

The services touch on various spheres of human endeavour. The following are services offered by United Bank of Africa Plc. in addition to those outlined in charpter two of this work.

4.3.1 SERVICES OFFERED BY UNITED BANK FOR AFRICA PLC

United Bank for Africa Plc. just like other banks has the following bank services in addition to those already mentioned in chapter two of this study.

i. Accident, Safe Guard Scheme: This is designed for guarantee in event of any accident. The bank compensate the holder in the event of accident injury.

ii. House Savings and Loans Scheme: This scheme encourages customers to save towards the cost of the house they plan to acquire in future and also entitle them for a mortgage loan when all requirements are met.

iii. Abuja Presidential Housing Loan Scheme: This scheme was launched in 1983. This is meant to provide financial assistance to Nigerians desiring to build house of their own in the new Federal Capital.

iv. UBA Card: This is a cheque guarantee service for bank customers. The holder of this card can present his cheque in any of the UBA branch nation wide, it can be used for purchase of goods and services within the country. This scheme reduces the risk of carrying much cash.

v. Money Gram: This is an international money transfer. UBA make it easier for people abroad to transfer money home without fears. Other services are easy card, save for school scheme.

4.4 PRODUCT/SERVICE DESIGN AND PACKAGING

All the respondent banks provide the following services to their customers; loans and overdraft, business advisory services, guarantees and indemnities, collection of bills, safe custody of valuables, status enquiries or banker's opinion and provision of foreign exchange facilities. In addition to all these they also provide deposit facilities in form of savings, current and fixed deposit accounts.

Despite all these services rendered by respondent banks

only few of them are been patronised by the respondent customers as shown in the table below.

TABLE 1: BANK SERVICES PATRONISED BY CUSTOMERS

	CURRENT ACCOUNT	SAVINGS ACCOUNT	DEPOSIT ACCOUNT	CURRENTS /SAVINGS ACCOUNT	TOTAL
RESPONDENTS	80	40	10	20	150
PERCENTAGE(%)	53	27	7	13	100

Source: Questionnaire B.

The above Table revealed that 80 which amounts to 53% of the respondent cutomers patronised current accounts, while 40 which accounts for 27% patronised savings.

Both current and Savings Account ranked next with 20 which accounts for 13%. Deposit Account ranked low with just 7%.

From the above Table it shows that current and savings account are most popular among the customers more than other account services provided by these banks. This reveals that majority of bank customers are not aware of other services offered by their banks, as table 2 reveals.

TABLE 2: CUSTOMERS AWARENESS OF RANGE OF SERVICES OFFERED BY BANKS APART FROM OPERATING ACCOUNTS

LEVEL OF AWARENESS	NUMBER	PERCENTAGE(%)
Aware	96	64
Not Aware	54	36
T O T A L	150	100

Source: Questionnaire B.

From the above Table the level of awareness is abit high, 64% of respondent customers were aware of the various services offered by their banks. That is not to say banks should relent in their efforts in enlightening their customers about the services the have in stock for them.

TABLE 3: TIME SPENT FOR TRANSACTION BY RESPONDENT CUSTOMER AS RELATES THE TYPE OF BANK SERVICES

BANK SERVICES	LESS THAN 15 MINUTES	15-30 MINUTES	30-45 MINUTES	45 MINUTES	TOTAL
Withdrawing Cash	18	48	30	54	150
Depositing Cash	54	72	18	6	150
Cashing Cheque	30	56	24	18	128
Bank Draft	12	24	12	72	120

Source: Questionnaire B.

From the above Table 66 out of 150 respondents which accounts for 44% withdraw cash within 30 minutes while 84 (56%) out of the 150 respondents spend more than 30 minutes withdrawing cash from the bank.

A total of 126 (84%) respondent customer out of 150 spend within 30 minutes when depositing cash while 24(16%) spend more than 30 minuts in depositing cash in the banks.

86(67%) out of 128 respondent customers claimed they spend within 30 minutes while cashing cheque while 42 (33%) spend above 30 minutes.

To get a bank draft from the banks only 36(30%) claimed they spend within 30 minutes, 84 (70%) respondent customers spend above 30 minutes to get a bank draft.

TABLE 4: CUSTOMERS RATING OF FACILITIES IN THE BANK HALL FOR CUSTOMERS COMFORT

	VERY ADEQUATE	ADEQUATE	INADEQ-UATE	VERY INADEQUATE	TOTAL
RESPONDENTS	12	78	48	12	150
PERCENTAGE(%)	8	52	32	8	100

Source: Questionnaire B.

Out of 150 respondents 90(60%) customers are satisfied with the facilities provided by banks in the banking hall for the comfort of their customers while waiting to be served, while 60 (40%) out of 150 respondents are not satisfied with the facilities provided.

TABLE 5: IMPORTANCE OF BEAUTY LOCATION AND SURROUNDINGS OF A BANK TO CUSTOMERS

	HIGHLY IMPORTANT	IMPORTANT	UNIMPORTANT	HIGHLY IMPORT-ANT	TOTAL
RESPONDENTS	30	114	6	-	150
PERCENTAGE(%)	20	76	4	-	100

Source: Questionnaire B.

144(96%) out of the 150 respondents customers agreed to the importance of beauty location and surroundings of a bank.

Only 4% felt its unimportant.

TABLE 6: CUSTOMERS RESPONSE ON BANK STAFF RECEPTION TO CUSTOMERS

	VERY COURTEOUS	COURTEOUS	INDIFFERENT	RUDE	TOTAL
Respondents	-	96	30	24	150
Percentage	-	64	20	16	100

Source: Questionnaire B.

96 (64%) out of 150 respondents are satisfied by the bank staff reception while 30(20%) are indifferent and 24(16%) felt bank staff are rude.

TABLE 7: CUSTOMERS RESPONSE AS TO INDIFFERENT WAYS SERVICES ARE BEEN RENDERED TO VARIOUS CUSTOMERS AS RELATES TO INCOME LEVEL

INCOME GROUP	VERY COURTEOUS	COURTEOUS	INDIFFERENT	RUDE	TOTAL
Less than N5000	-	10	10	20	40
N5000-N10,000	-	10	15	25	50
N10,000-N20,000	1	22	2	57	30
N20,000 and above	2	25	3	0	30
TOTAL	3	67	30	50	150

Source: Questionnaire B.

Out of 40 low income level group 10(25%) felt the bank staff are courteous in the way they render services to them.

Another 10 (25%) respondents felt indifferent while 20 (50%) felt bank staff are rude to the low level income earners.

Out of 50 respondents customers of the middle level income group 10 (20%) of them felt bank staff are courteous 15 (30%) of them felt indifference while 25 (50%) felt they are rude.

In the high level income group the reverse is the case. Out of 60 customers interviewed 3 (5%) felt the staff are very courteous, 47 (78%) agreed that bank staff are courteous to them, 5 (8%) felt indifferent while 5 (8%) felt they are rude.

TABLE 8: CUSTOMERS RESPONSE AS TO INDIFFERENCE WAYS SERVICES ARE BEEN RENDERED TO VARIOUS CUSTOMERS AS RELATES TO AGE GROUP

AGE GROUP	VERY COURTEOUS	COURTEOUS	INDIFFERENT	RUDE	TOTAL
Under 20	1	7	2	10	20
20 - 30 Years	-	10	5	25	40
30 - 40 Years	3	40	10	7	60
40 and above	3	20	5	2	30
TOTAL	7	77	22	44	150

Source: Questionnaire B.

From the above table out of 20 respondents customers below 20 years of age 8 (40%) agreed that bank staff are courtesus, 2 (10%) are indifferent while 10 (50%) felt they are rude. Respondents within 20-40 years of age out of 100

interviewed 53 (53%) are of the opinion that bank staff are courteous to them, 15 (15%) are indifferent while 32 (32%) felt they are rude.

Those above 40 years out of 30 respondents 23 (77%) are of the opinion that bank staff are courteous 5(16%) indifferent while only 2 (7%) feel they are rude.

TABLE 9: RESPONDENTS RESPONSE TO BANKER/CUSTOMERS RELATIONSHIP

	CORDIAL	FRIENDLY	HOSTILE	UNCO-OPERATIVE	TOTAL
Respondents	78	60	-	12	150
Percentage	52	40	-	8	100

Source: Questionnaire B.

From the above Table out of 150 customers response, 78 (52%) indicate that the relationship is cordial 60 (40%) indicate a friendly relationship and 12 (8%) feel the relationship is uncooperative.

TABLE 10: RESPONSE TO PRESENT BANKINGS HOURS CONVINIENCY

	NUMBER	PERCENTAGE
Convenient	150	100
Not Convinient	-	-
TOTAL	150	100

Source: Questionnaire B.

From the above table all the 150 respondents are convinient with the present banking hours of their banks.

TABLE 11: RESPONSE TO SERVICE EFFICIENCY OF THE BANKS

	VERY EFFICIENT	EFFICIENT	FAIRLY EFFICIENT	NOT EFFICIENT	TOTAL
Response	12	60	78	-	150
Percentage	8	40	52	-	100

Source: Questionnaire B

From the above table 72 (48%) out of 150 respondents are of the opinion that bankers are efficient in their services while 78 (52%) out of 150 respondents agreed that their services are fairly efficient.

TABLE 12: RESPONSE TO GENERAL ASSESSMENT OF COMMERCIAL BANKING SERVICES IN NIGERIA

	SATIS-FACTORY	FAIRLY SATIS-FACTORY	NOT SATIS-FACTORY	TOTAL
Response	30	108	12	150
Percentage	20	72	8	100

Source: Questionnaire B

Out of 150 respondents 30 (20%) assessed the commercial banking services as satisfactory, 108 (72%) feel the services generally are fairly satisfactory while 12 (8%) feel the services are unsatisfactory.

TABLE 13: EXPERIENCE OF BANK STAFF

	1 - 5 Years	5 - 10 Years	10 Years and Above	TOTAL
Response	45	30	75	150
Percentage	30	20	50	100

Source: Questionnaire A

From the above table 50% of the respondents staff have been with the bank for over 10 years, 75 (50%) are between 1-10 years of working experience.

TABLE 14: RESPONSE AS TO THE STAFF CONDITION OF SERVICE

	SATISFIED	NOT SATISFIED	TOTAL
Response	30	120	150
Percentage	20	80	100

Source: Questionnaire A

From the above table it shows that 120 (80%) out 150 respondent are not satisfied with the condition of service 30 (20%) out 150 are satisfied with the condition of service.

TABLE 15: STAFF OPINION AS TO BANKERS/CUSTOMER RELATIONSHIP

	VERY CORDIAL	CORDIAL	FAIRLY CORDIAL	NEEDS IM-PROVEMENT	TOTAL
Response	45	90	-	15	150
Percentage	30	60	-	10	100

Source: Questionnaire A

From the above table 135 (90%) out of 150 respondents staff agreed that the relationship between bankers and customers are satisfying while 15 (10%) are of the opinion that there is need for improvement.

TABLE 16: CAUSE OF DELAY IN BANK TRANSACTION

	OPERATIONAL PROCEDURES	INADEQUATE STAFF AND MACHINES	LAXITY ON THE PART OF THE STAFF	CUSTOMERS UNCOOP-ERATIVE ATTITUDE	TOTAL
Response	60	75	-	15	150
Percentage	40	50	-	10	100

Source: Questionnaire A

From the above data collected 75 (50) out of 150 respondents staff agreed that inadequate staff and machines are major cause of delay in bank transaction 60 (40%) are of the opinion that operational procedures are responsible for delay in bank transaction while the remaining 15 (10%) are of the opinion that custoners uncooperative attitudes are responsible for delay in bank transaction.

TABLE 17: ASSESSMENT OF BANKING SERVICE IN NIGERIA BY BANKERS

	VERY SATISFIED	SATISFIED	DISATIS-FIED	NEEDS IM-PROVEMENT	TOTAL
Response	-	135	-	15	150
Percentage	-	90	-	10	100

Source: Questionnaire A

The above table revealed that 90% respondents staff agreed that banking services in Nigeria generally are okay while 15 (8%) are of the opinion that banking services in Nigeria needs to improve their services.

TABLE 18: RESPONSE AS TO HOW BANKS MONITOR DEGREE OF CUSTOMERS SATISFACTION

	QUESTIONNAIRE	SUGGESTION BOX	INTERVIEW	TOTAL
Respondent	-	150	-	150
Percentage	-	100	-	100

Source: Questionnaire A

The above table revealed that all the respondents agreed that banks monitor degree of customers satisfaction through suggestion box.

4.5 DISCUSSION OF FINDINGS

Based on research carried out on customer satisfaction and retention in the banking industry in Nigeria with case study of First Bank Nigeria Plc. and United Bank for Africa Plc. in Zaria Kaduna metropolis. Some useful and meaningful informations were obtained by critically examining the responses from respondents staff and customers of the selected banks through the questionnaires administered and personal interview.

The following were observed at the course of the study. From the research findings majority of the customers operate current and savings account of all the account and services

provided by commercial banks.

From the statistics in table 1 80 (53%) out of 150 customers operate Current Accounts while 40 (30%) operate Savings Accounts. This indicates that Savings and Current Accounts are more popular than other accounts. Although from the researcher's observation as revealed in Table 2 the level of awareness is a bit high with 96 (64%) out of 150 respondents claiming awareness of range of services offered by banks, quit a number of customers are not aware of the bank services.

It is observed that majority of the customers spend more than 30 minutes to withdraw cash from the bank.

Most people spends within 30 minutes when depositing cash. 86 (67%) out 128 respondent customers claimed they spend within 30 minutes when cashing cheque while 42 (33%) spend more than 30 minutes. To get a bank draft only 36 (30%) out 120 claimed they spend less than 30 minutes, 84 (70%) spend over 30 minutes. In the course of this study the research also reveals that the high income level that is the rich customers are those served in less than 30 minutes in the bank while the lower income spend above 30 minutes in the bank, this agree with the general opinion that bank serve their rich customers better than the poor ones.

It also reveals that bank staff are more courteous when attending to high income level customers than to lower or middle income level. From the research data 10(25%) out of 40

low income level customers felt the bank are courteous in the way they render services to them while 20 (50%) felt bank staff are rude to them.

Also it reveals that bank staff are courteous to customers that are 30 years and above and less courteous to those customers that are under thirty years of age.

The researcher observed that relatives and acquainted customers to any of the bank staff spent lesser time in transacting business in the bank.

It is observed in table 4 and 5 that facilities provided in the banking hall for customers comfort, such as seat, air condition, space and also beauty, location and surroundings of a bank are of value to most customers, but some banks don't have adequate facilities for the comfort of their customers while waiting to be served.

90 (60%) of 150 customers are satisfied with the facilities provided while 60 (40%) are not satisfied with the facilities provided.

There is still room for improvement so as to make bank customers comfortable while waiting to be served.

The investigation reveals that majority of the people agreed to the importance of beauty location and surrounding of a bank, out of 150 customers interviewed 144 (96%) agreed to the importance of the bank environment. Only 4% felt its unimportant.

The responses on table 6 reveals bank staff reception to

custoners which customers seems to be satisfied with. Majority of the people felt bank staff are courteous 96 (64%), 30 (20%) felt indifferent while 24 (16%) felt they are rude, no case of very courteous was recorded as earlier observed majority of the people who agreed that bank staff are courteous are high income level group.

Responses to bank/customer relationship reveals that the relationship which exist between bankers and customers is to a large extent cordial and friendly, out of 150 respondents customers 78 (52%) agreed that the relationship is cordial, 60 (40%) agreed that the enjoy a friendly relationship while 12 (8%) felt the relationship is unco-operative.

On the part of the bank staff in table 15 agreed that the relationship between bankers and customers are cordial 135 (90%) out of 150 agreed to this effect while 15 (10%) out of 150 felt there is need for improvement.

The research reveals that 100% of the people are convinient with the present banking hours of service. It is observed that the orthodox time of clasing three oclock on Mondays and one thirty Tuesdays to Fridays are no more in practice in most banks banking hours have been extended to either four oclock or five o clock. Also most banks branches operate Saturday banking services, customers are delighted at this longer hours of service.

Responses in table 11 reveals that customers are of the opinion that bank services are fairly efficient about 52%

agreed to this while 48% agreed that bank services are efficient.

The researcher observed during the period of personal observation of some branches that most of these bank branches in Zaria Kaduna metropolis are now computerised which should make their rate of efficiency higher but due to electricity failure in recent times the effect of their new technological improvement could not be felt by most of the customers.

The bank staff response to staff condition of service in table 14 reveals that banks staff are highly not satisfied with the condition of service.

Out of 150 staff, 120 (80%) agreed that the condition of service is not satisfied while only 30 (20%) out of 150 are satisfied. This will have a negative implications on the bank, when staff are not satisfied with the condition of service as they claim that their take home cannot actually take them home, this will definately create lapses. When bank staff are satisfied with their condition of service there is that tendency that they will put in their best to satisfy their customers.

Responses in respect of delay in bank transfaction in table 16 reveals that inadequate staff and machines are major cause of delay in bank transaction. 75 (50%) agreed to this while 40% agreed that is due to operational procedures and 10% acclaimed it to customers un-cooperative attitude are responsible for delay in bank transactions.

It is observed that most banks staff are lazy in carrying out their duties, customers complained of staff slugish attitude, it could be said that bank staff contributes alot to delay in banking transaction.

Responses as to how banks monitor the degree of customers satisfaction reveals that most banks uses the suggestions box as 100% of staff agreed to that as revealed in table 18.

The researcher observed that customer hardly make use of this suggestion box for any thing at the end the staff ended up not knowing anything about their customer's satisfaction. Other methods such as interview and questionnaires should be adopted to enable banks monitor the degree of customers satisfaction.

Contrary to the general believes that banks don't care whether you are with them or not most bank managers interviewed said they try as much as possible to retain their customers, no matter what the level of income involve that is high, middle or low income.

A senior manager with First Bank Nigeria Plc. made a comment on customers retention, he said when a staff cause a customer to leave a bank that staff will have to leave with the customer, he said that is to show the extent of value given to customer retention.

Most of the customers interviewed claimed they don't know any effort the bank is making to retain them as bank customers.

There are some cases where bank officials feel delay during such cases in commercial banks are unavoidable, a bank manager said in case of salary account it takes customers employer 1 - 28 days to prepare their salaries and wages and when it finally gets to the bank customers will now want bank to finish their own procedure as soon as bank list get to the bank at that level they realise the good relationship they have with customers will go sour.

Bankers feel customers should realise that it still take human effort to load the computer and until that is done the computer cannot print anything.

This research study reveals that alot of things are been put in place in most banks to kind of reduce the time customers spend in banking hall but more can still be done to this effect, bankers should see their customers as valuable assets and a such treat them well simple courtesy over the counter, exchange of pleasantries such as good day can I be of any help and so on, this simple attitude from bank officials to customers will surely create a good relationship.

CHAPTER FIVE

5.0 SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 SUMMARY

This project focused on Commercial Banking Services, customer satisfaction and retention.

During the course of this study of the two banks selected, it was noted that the two banks that's First Bank Nigeria Plc. and United Bank for Africa Plc. render a wide range of services to their numerous customers, in addition to the general services discussed in chapter three of this work.

The banking industry is a service industry. Other services provided by these banks include Accident Safe Guard Scheme, Housing Savings and Loans Scheme, Joint Liability Agricultural Credit Scheme, UBA Card, Western Union Money Transfer, Money Gram, Value Card and also they give useful advice on investment to their customers on request.

Although there are still alot of criticisms in the general public, quite a number of people are still dissatisfied with the banks' general services. Most customers still complained bitterly about time wastage during bank transactions. During the researcher's discussion with bank officials, they claimed that a customer should not spend more than ten minutes in the bank while depositing or cashing cheques, this is contrary to the researcher's observation and also to the customers reponse during the findings.

Customers also complained about the discriminative

attitude of bank officials. Bank officials favoured the wealthy customers by giving them preferential treatment than the low income earners who are customers of the bank.

Customers cannot still understand why a bank manager will refuse to give an overdraft of five to ten thousand Naira to a customer and the same manager will give a loan of two million Naira to another customer without even a collateral.

In the course of this study the researcher noticed that most commercial banks are trying to move along with the pace of changes in information technology as it continues to be high. It was also noticed that the old and basic operational infrastructures and procedures of banks built around the economics of scale of branch banking without a reliable on-line, real-time communication linkage and decentralised decision making structure are fast fading away as banks embark on very serious paradigm shifts.

This move by the banks will not only lead to customers satisfaction, it will definately go beyond satisfaction.

It was observed that 100% of the customers interviewed were contented with the hours of service in their banks, some banks now work six days a week and their customers are happy about it. Banks management can also go a mile further to see to other areas where customers are not satisfied and improve on these areas too, to give their customers a better service.

5.2 CONCLUSION

Based on the analysis of the above findings and within the constraints of the study, it can be concluded that commercial banks have improved compared to what it use to be some years back.

The researcher noted that there is a keen competition amongst old and new generation banks to win customers. While the old commercial banks have tried in no small way to give prompt services to their numerous customers, the large patronage they have, made it a bit difficult for their services to be as quick as those of the new generation banks. Despite all these efforts by banks to give customers better services there are still lapses here and there as majority of the bank customers' are still dissadisfied by the services they get from bank officials majority of them assessed commercial bank services as fairly efficient which is not too good a remark.

Most customers are scared by banks initial deposit for opening an account, high interest rates on loans, collaterals undervalued deteriorating bank notes in circulation this appears worrisome issue to many customers, as banks now refused to change torn or worn out notes.

The researcher also noted that high tariff charged by banks has been identified as one major factors discouraging many Nigerians from patronising banks, people are most discouraged by savings rate in commercial banks, almost all

the respondent complained that there is a large difference between interest on savings and interest on loans. This the people regarded as unjust and this gives people a higher propensity to hold money in any other form than go to the bank. This and unsatisfied services by bank officials may account for some of the reasons why about 86% of total cash in circulation is said to be outside the banking industry.

The level of computerisation of banks had improved tremedously this will increase the level of services particularly in the area of delay in the bank.

The acting chairman of the Board of Directors of Trade Bank Plc. Mr. Peter Oyinloye, disclosed recently at the bank yearly general meeting that the bank will continue to pursue strategies that will give it competitive advantage in crucial areas of banking operations and information technology. He said those strategies would promote customers' satisfaction and increase the banks market share in the new millenium.

In the course of this study it is evident that bank staff just like any other employee in Nigeria are not satisfied with the conditions of service bank officials need to be motivated, employee skills need to be upgraded.

In one of the banks the researcher visited during data collection there is a captivating postal by the bank's wall with the followings: As my customer, I promise to:

- Listen to you
- Anticipate, meet and exceed your needs.

- Give you that which you care about not what I think you should have.
- Serve you speedily, accurately and professionally.
- Delight you.
- Creating a winning culture.

If bankers can go by these sayings, bank customers would be more than satisfied with bank services but it is easier said than done.

A bank which produces and renders good services efficiently will enjoy the patronage of the public, and they will not be looking for a change and it will lead to customer rentention.

Where a bank produces good services but renders them poorly, customers will not be satisfied and there is that tendency for unsatisfied customer to look for alternative means elsewhere.

While most banks recognize the value of a satisfied customer only a few have made the commitment necessary to ensure customer satisfaction.

Although most bank branches are computerised to aid effective customer services more still need to be done by bank officials to enhance better customer/banker relationship and effective customer satisfaction, as a matter of necessity they should improve on the services they render to customers and their mode of operations. Bank officials should see their customers as first, last and always.

5.3 RECOMMENDATIONS

Based on the findings of the research study through interview, questionnaires and personal observations, banks has improved in their services, compare to what it use to be before now, but despite this, customers are yet to be fully satisfied with this there is still need for banks to improve on their services hence the following recommendations are proposed, which hopefully will solve some of the problems in bank services and customer satisfaction.

Operational procedures should be improved. Adequate staff strength and materials should be provided for the staff so as to cope with the increasing number of customers and demands.

Adequate and continuous staff training should be given to all levels of bank staff to enable them improve their efficiency as regards services they render to custoners.

Bank management should see to staff conditions of service in a situation where their take home can no longer take them home is dangerous to the bank condition of services should be improved.

Professionals should be employed to give that professionalism touch to work in our banks. Getting the right people for the job will go along way to improve customers services.

Bankers should manage customers expectation, they should learn what customers expect. Tell them what to expect, banks should consistently provide the services customers expected.

On service encounter bank officials should build a more friendly relationship by communicating with customer during the service, if possible, banks should modify service to meet customers expectations, and where that is not possible give pleasant explanation.

This will go along way to improve bank/customers relationship.

Banks should develop a follow up program, a program that will bring together customers may be once or twice a year to give a positive climate existing between employees and management is very essential.

Employees are not to be seen as "necessary evils they are solution to customer satisfaction. It is difficult may be even impossible for employees to be unhappy on the job and still give the necessary effort to ensure customer loyalty. Management has to support its people so they in turn can support their customers and give them quality service.

Suggestions on how to improve on services and also finding a forum for dealing with dissatisfied customer since is not all the customers that are dissatisfied.

Customers patronise banks with the hope of getting loans both short and long term loans.

Most banks don't even give overdraft facilities to their customers. Since both parties benefits from these loans and advances the banks should make the process smooth and prompt.

Adequage facilities should be provided in banks for customers comfort while waiting to be served.

More efforts should be made to provide services outside their banking halls, this will reduce congestions in the bank and also reduce the time spent in the bank to transact business.

More devices of measuring customer's satisfaction should be introduced, suggestion box alone is not sufficient.

Measuring permits a company to do a number of things such as increase service quality awareness, identify strengths and weaknesses, monitor progress as to customer satisfaction and level of retention. Banks can use a customer response programme such as a customer satisfaction survey questionnaires in addition to other monitoring techniques in use.

They serve as complaints monitoring, which is a basic requirement of customer service in any service organisation.

Banks should realise that customers' satisfaction produces real reward for the company in the form of customer loyalty and corporate image, lack of customer satisfaction produces real liabilities and that is a fact that business can ill afford to ignore.

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CUSTOMER SATISFACTION AND RETENTION IN BANKING INDUSTRY IN NIGERIA

QUESTIONNAIRE: "A" (BANK STAFF ONLY)

This questionnaire is designed to collect relevant information in evaluating customers' satisfaction and retention in Banking Industry.

This is purely for academic purpose. Any information provided will be used for this research work only. I assure you of complete confidentiality.

TICK or WRITE where appropriate.

1. How long have you been with this Bank?
   a) Less than 1 year ( ) (c) 6 - 10 Years ( )
   b) 2 - 5 Years ( ) (d) 10 Years and above( )
2. What is your qualification on entry to the Bank service?
   a) University graduate ( )
   b) Polytechnic graduate ( )
   c) G.C.E. or it's equivalent ( )
   d) Primary school certificate ( )
3. What is your qualification now?
   a) University graduate ( )
   b) Polytechnic graduate ( )
   c) GCE. or it's equivalent ( )
   d) Professional courses ( )
4. Does the Bank provide all the tools necessary to carry out your work effectively? (a) Yes ( ) (b) NO ( )

	Less than 5 Minutes	15 - 30 Minutes	30 - 45 Minutes	Over 45 Minutes
a) Withdrawing Cash				
b) Depositing Cash				
c) Cashing Cheque				
d) Bank draft				
d) Travellers Cheque				

14. Do customers complain of time wasted in the Bank?

    a) Yes ( ) (b) NO ( )

15. What do you think is the cause of delay in Bank transaction?

    a) Operational procedures ( )

    b) Inadequate Staff and machines ( )

    c) Laxity on the part of Bank staff ( )

    d) Customers' unco-operative attitude ( )

16. Do you think your Bank need to improve in areas of the present services rendered to the customers?

    (a) Yes ( ) (b) NO ( )

17. Is your Bank computerized? (a) Yes ( ) (b) NO ( )

18. If your answer is YES in question 17 above, is there any significant different in service now than before the computerization? (a) Yes ( ) (b) NO ( )

19. What is your general opinion about Bankers and Customers relationship in your Bank?

    a) Very Cordial ( ) (c) Fair ( )

    b) Cordial ( ) (d) Needs improvement ( )

20. What is your assessment of Banking service in Nigeria?

a) Very satisfied ( ) (c) Dissatisfied ( )

b) Satisfied ( )

21. How do you monitor degree of customers satisfaction?

a) Questionnaire ( ) (b) Interview ( )

c) Suggestion box ( )

d) Any other (please specify):.....

.....

22. What suggestion(s) can you make to improve Banker/Customers' relationship?

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CUSTOMER SATISFACTION AND
RETENTION IN BANKING INDUSTRY
IN NIGERIA

QUESTIONNAIRE: "B" (FOR CUSTOMERS ONLY)

This questionnaire is designed to collect relevant information in evaluating customers' satisfaction and retention in Banking Industry.

This is purely for academic purpose. Any information provided will be used for this research work only. I assure you of complete confidentiality.

TICK or WRITE where appropriate.

1. Name of your Bank:.....

2. How long have you been banking with this Bank?

   a) 1 - 2 years ( ) (c) 6 - 9 Years ( )

   b) 2 - 5 Years ( ) (d) 10 Years and above( )

3. Which of the following Accounts do you operate?

   a) Current Account ( )

   b) Saving Account ( )

   c) Current & Saving Accounts ( )

4. How often do you go to your Bank?

   a) Once a month ( ) (c) Thrice a month ( )

   b) Twice a month ( ) (d) More often than above( )

5. Are interest being credited to your account accordingly?

   a) Yes ( ) (b) NO ( )

6. If your answer in question 5 is no, why?

   a) Multiple withdrawal ( )

   b) Back of time ( )

   c) Forgetfulness ( )

   d) Others (please specify):.....

   .....

7. Are you aware of the range of services being offered by your Bank?: (a) Yes ( ) (b) NO ( )

8. What is the range of time you spend when you go to the Bank for the following transactions?

	Less Than 15 Mints.	15 - 30 Minutes	30 - 45 Minutes	45 Mins & Above
a) Withdrawing Cash				
b) Depositing Cash				
c) Cashing Cheque				
d) Bank Draft.				

9. Do you often experience delay in the Bank?

   a) Yes ( ) (b) No ( )

10. What do you think is the cause of delay in Bank transactions?

   a) Operational procedures ( )

   b) Laxity on the part of Bank staff ( )

   c) Inadequate staff and machine ( )

   d) Inefficient staff ( )

11. How would you rate the facilities provided by the Bank for customer's comfort while waiting (e.g. Seats, Air conditioner, etc).

    a) Very adequate ( )

    b) Adequate ( )

    c) Inadequate ( )

    d) Very inadequate ( )

12. If you regard the Banking facilities as very inadequate or inadequate, what do you think is responsible for this?

    (a) Inadequate facilities ( )

    (b) Bankers not keen about their customers comfort while waiting ( )

    (c) Poor facilities ( )

    (d) Other reason (please specify):.....

    .....

13. How Important are the beauty, location and surroundings of a Bank to you?

    a) Highly Important ( ) (c) Unimportant ( )

    b) Important ( ) (d) Highly Unimportant ( )

14. How do you assess the reception by Bank officials when ever you visit the Bank?

    a) Very courteous ( ) (c) Indifferent ( )

    b) Courteous ( ) (d) Rude ( )

15. Is there any difference in the way services are rendered to various customers, income or personality wise?

    (a) Yes ( ) (b) No ( )

16. How do you see the relationship between you and the Bank employees?

    (a) Cordial ( ) (c) Hostile ( )

    (b) Friendly ( ) (d) Unco-operative ( )

17. Has your cheque been erroneously return unpaid, your account debited or credited instead of being credited or debited, your standing order not effected, Bank draft wrongly written etc. What do you think is responsible for these?

(a) Carelessness ( )

(b) Improper records ( )

(c) Lack of staff training ( )

(d) Non challant attitude of staff to work ( )

18. Are you convenient with the present Banking hours?

(a) Yes ( ) (b) No ( )

19 How efficient would you describe the services of this Bank? (a) Very efficient ( ) (b) Efficient ( )

(c) Fair efficient ( ) (d) Not efficient ( )

20. What is your general assessment of Commercial Banking Services in Nigeria?

a) Very satisfactory ( ) (c) Fairly satisfactory( )

b) Satisfactory ( ) (d) Not satisfactory ( )

21. Any other comments you might want to make as regards Banking services and customer satisfaction in Banking Industry in Nigeria.

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