MARKETING IN THE BANKING INDUSTRY:

A CASE STUDY OF SELECTED BANKS IN NIGERIA

BY

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A PROJECT SUBMITTED TO THE POSTGRADUATE SCHOOL, AHMADU BELLO UNIVERSITY, ZARIA IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTER DEGREE IN BUSINESS ADMINISTRATION (MBA)

DEPARTMENT OF BUSINESS ADMINISTRATION
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D E C L A R A T I O N

I hereby declare that this project has been written by me. and that it is a product of my own research work. Thus, it has not been previously presented in any application for a postgraduate degree.

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Name of Student. Signature

Date

The above declaration is confirmed.

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Name of Supervisor Signature

Date

C E R T I F I C A T I O N

This research project entitle "MARKETING IN THE BANKING INDUSTRY: A CASE STUDY OF SELECTED BANKS IN NIGERIA" by Muhammad Bello Ibrahim has meet the regulations governing the award of the degree of Master of Business Administration (MBA) of Ahmadu Bello University, and is approved for its contribution to knowledge and literary presentation.

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D E D I C A T I O N

With love and humility, I dedicate
this project to my Mother, Amina,
and Grand-Mother, Zainabu Alias 'NKO'.

A B S T R A C T

One of the most dynamic industries in any economy and Nigeria in particular is the banking industry. Apart from being the pivot on which the nation's economy revolves, it is also about the most active in this era of deregulation. With the upsurge in the number of licensed banks and finance related institutions in the industry, the establishment of more branches of banks, and with the dwindling fortunes of the economy due to the very serious devaluation of our currency, competition for the very limited viable business ventures has become very keen. This can be said to be a plus for the consumers of the banking industry's products who now enjoy more efficient and prompt services.

Part of the many ways being explored by actors in the banking industry today, to remain afloat thereby effectively depending their; business from the wrath of competitors is by using marketing management principles. Thus they indentify, anticipates and introduces new products that meet customer's requirements efficiently and profitably. This has ensure banks continued patronage from existing clients and open up new avenues for larger marketing-oriented business coverage.

However, application of marketing in the banking industry is a recent phenomenon hence fraudght with diverse impediments which include lack of a well define model for development, packaging and labelling of new products, lack of skilled marketing experts and even where they exist, they seldom have the freedom to act because most of the marketing functions is spread over a number of different departments. In other word, banks are yet to have a well structured, full-fledge marketing department.

This research has dwelt on all these problems and issues that involved marketing in the banking industry especially as it affect Nigeria and the selected banks in particular. It is in view of these that I preferred ways to improve on banking services development, delivery and marketing generally. The bottom line has been drawn thus, days of arm-chair banking are over. Consequently, marketing is a thing that banks can no longer do without.

Finally, it is hoped that this research will be useful to banking industry in general and most importantly the selected banks, students and academics, as well as any individual, group and organisation previlaged to lay their hands on it.

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Under a competitive environment, banks that want to survive must study the environment to identify and understand to a great extent, the opportunities and threats therein with a view to eliminating or containing these threats and taking advantage of the opportunities that abound in the environment. This is what marketing is all about.

In essence, banking sector in general must understand their customer needs and try to satisfy those needs at a profit sufficient to guarantee adequate returns to share-holders in the long-run.

Marketing therefore, seeks to merge the interest of a company and the expectations of the consumer. This is succinctly put by late Gerald L. Phillippe (1970) as thus: "As businessmen become more sophisticated in marketing and business decisions, we have learned a new that the royal road to business success is to serve the changing wants and needs of the public just as faithfully as we can. It is more profitable as well as more responsible socially, to find out what the people want and need, and to set up to serve them efficiently".

In any event, most banks not necessarily in Nigeria adopt some kind of marketing principles, albeit elementary.

In fact, it is now fashionable for example in Nigeria for bankers to describe their financial services as 'products' a typical marketing jargon. Another thing one notice is that some essential marketing tools used in the marketing of tangible products can or are also applied in the banking industry.

Indeed, it is possible to use marketing mix elements, marketing research, segmentation analysis, product life cycle analysis, image enhancement theory and so on in the banking industry, as used in the product or manufacturing industry. However, the differences might be understood with a careful study on the emphasis among the variables used in the banking sector which is the focal point of this research and an important segment of the service industry. For the purpose of this research therefore, four banks have been used as a case study, three are commercial banks and the other is a merchant bank all located in Kaduna. The choice of these banks was informed by the fact that they had a fairly organised marketing departments and experienced staff manning them respectively. This is despite the fact that, banks in general were not or are slow in embracing marketing principles and concepts the world over, and Nigeria in particular.

1.2 Statement of the Problem

Banks in the world over are today operating under increasingly more competitive environment. In Nigeria for instance, the environmental intrigues were brought about by certain factors rightly identified by Soyibo (1988) as follows:

i) The operation of the second tier foreign exchange marketing (SFEM), Foreign Exchange Market (FEM) and now Foreign Exchange FOREX).

ii) The withdrawal of billions of Naira trade deposit from the banks by the Central Bank of Nigeria (CBN) thus mopping up excess liquidity.

iii) Interest rate deregulation making banks free to determine their deposit and lending rates (and hence prices).

iv) The Central Bank of Nigeria's order, starting with the 1990 budget requesting banks to pay deposit on current accounts.

v) Granting banks permission to undertake equipment leasing upto a maximum of 15% of their total assets; as well as raising the reserve requirement of commercial banks by 1% and mandating merchant banks, hitherto exempted from cash reserve requirement to set aside 5% of their total demand deposits in cash reserve.

vi) The introduction of the People's Banks and Community Banks as well as the recent Urban Development Banks (1992), thus changing the concept and structure of banking and its expansion in Nigeria.

All these culminated and make it imperative on banks to understand that the days of arm-chair banking are over. So the banking industry as a whole ought to open up to appreciate and embrace the marketing concept, principles and functions. The narrowed perception of marketing, which is centred around equally narrowly defined end results of cheap and or cost-free deposit mobilization for investment into the highest yielding ventures should give way to a more marketing oriented bankg practices. To this end the research would look into the following problems:

a) Whether banks fully understand the specific type of service business they are in;

b) How banks can depend their business from competitors using the marketing tools;

c) The processes banks could used to develop and test new product or better called services;

d) Why the banks are slow in embracing marketing principles and functions;

e) Identify the similarities and differences of marketing in a product - oriented industry and service - oriented industry with particular reference to banking sub-sector.

1.3 Purpose of the Study

Marketing is a management process which identifies, anticipates and supplies customer's requirements efficiently and profitably. Similarly, in banking the ability to realise a profitable volume of sales, and acquire a substantial part of the total market share depend, largely, on the ability of the bank, to make optimal and timely responses to the changing needs of the marketing place. This means the target and the goal are the same - customers and profits respectively, but the methodology of reaching them certainly differ.

The purpose of this study, therefore, is to appraise the role of marketing in the banking industry and the strategies adopted by the selected banks in marketing their services, that is capable of perpetuating and guaranteeing their competitive stand-consequently we shall examine:

1) Ways of implementing marketing functions in delivering banking services.
2) The extent to which marketing could be use to create new product or rather called financial services.
3) The extent to which marketing could be used to depend a bank from competitor(s) in a competitive environment.
4) Recommend on how banks can derive the maximum benefits of their marketing effort.
5) Suggest the relationship that should prevail between the banks and their customers in a marketing oriented environment.

1.4 Research Methodology

Descriptive research is defined by J.O. Ndagi (1984) as "the collection of data for the purpose of describing and interpreting existing conditions, prevailing practices, beliefs, attitudes, on-going process etc".

And so for the purpose of this study descriptive research has been used to establish the rating of marketing functions in the banking industry in general and the selected banks in Nigeria in particular. Similarly, the method has been used to determined the prospects of the tools of marketing and or the time honoured concept of consumer sovereignty amongst bank's executives and staff in general. However, recommendations are made on the findings from the data collected thereby making the study not only descriptive but also prescriptive.

On the other hand, a scientific device of a well designed and structured questionnaire was used to source out data from a sample of selected banks. Similarly, the same questionnaire formed the basis of personnal interviews conducted in preparing the final inputs of this study. Other, sources of data used include relevant thesis, dissertations, journals, magazines, newspapers, textbooks and documentory sources.

1.5 Sample Size and Procedures

We have seen in the previous units of this chapter the aim of the study, the types of problems we shall be addressing, types of data collected and the method employed for the data collection, the next thing is to further decide from whom and where the data was gathered. And this unit has been devoted for this purpose. Briefly, for the purpose of this research, due to certain constraints, attention will focus on a sample of selected banks that either claim to be applying or merely understood and appreciate the need for the application of marketing tools in their activities. Consequently, questionnaire was administered on the staff of these selected banks some within Zaria others located at Kaduna.

In all a sample of 23 banks (20 commercial and 3 merchant banks) was used. Similarly, a simple random sampling procedure was used in the study because the country is usually divided into four industrial zones and Kaduna axis constitute one of them.

1.6 Scope of the Study

Banks are in the business of harnessing the society's financial resources for the production of services that uplift the general quality of life of the society and its members. It is in pursuit of this strategic corporate visioning that banks must adapt marketing. Banks are invariably and undeviatingly in people's business.

The starting and ending point must be consumers, hence 'product' or service offerings must be based on clearly identified customer needs and preferences.

The scope of the study shall be concerned with banks executives in the banking industry (and particularly in the selected banks) and marketings of banking services in both commercial and merchant banks. Banks selected are those that have a wide network of branches all over the country namely Habib Nigeria Bank Limited, Savannah Bank Nigeria PLC, United Bank for Africa (UBA) and Continental Merchant Banks of Nigeria PLC.

It need no emphasis to states that all these selected banks are banks with reputation at their own level or category hence all are quoted banks under the Nigeria Security Exchange Commission (SEM).

Although what the study found might not be limited to banking industry of Nigeria alone, it has nevertheless taken few specific banks in the country as a case study. The aim is however, to describe in some details the nature of their marketing activities. Moreso, we find this to be suitable because of accessibility but this is without prejudice to any operating system elsewhere within or outside the country.

1.7 Significance of the Study

The Central theme of this study is an appraisal of marketing practices in the banking sector. To this extent the research would identify the similarities and differences of marketing in a

product-oriented industry and service (pure) industry like banks and other financial institutions. The distinction is important because everyone in every type of business sells some elements of service, whereas in pure service businesses any transfer of a physical or concrete product is incidental to the service.

Also, the research is informed by the fact that the banking scene has been witnessing tremendous changes. For instance, in Nigeria, banking operations prior to the introduction of the Structural Adjustment Programme (SAP) in 1986 were engaged in the concept of demarketing that is, a deliverate effort aimed at discouraging customers in general and or certain classes of customers in particular, for example small savers, either on temporary or permanent basis. But, the introduction of SAP had made banking industry become competitive and call for a more innovative approach in banking activities.

This is obvious, owing to the fact that SAP has allowed the springing up of a number of new commercial banks and merchant banks alike. For example, Cornelius (1992) indicated that: "as at 31st December, 1988, a total of 64 banks (39 Commercial, 20 Merchants, and 5 Development/Specialised Banks) were operating in Nigeria. However, by 1990 the number of banks had increase to 130".

The implecation of this, is the need for banks to adopt a comprehensive, dynamic and creative marketing strategies that would cope with the continuing chantes and or cut-throat competitive environment. In fact, for banks to survive now and perhaps in the future they must have proven capability to earn income from

fee-based, specialised services and most important of all improved positive perception by the market which would ensure continueing patronage. And this is exactly what marketing effort is out to accomplish.

The research will further appraised the degree of marketing orientation in the selected banks which could as well show the readiness of the banks to appreciate the challenges posed by the ever changing environment.

In summary, the study having appraised the marketing and/or marketing practices as well as the stiff competition in the banking industry, it would offer certain recommendations, which could be useful to the industry, and simultenously fulfilling the broad mission of the study.

In otherwords, it is hope that this research will not only be meaningful but also useful to:

i) The banking industry in general and most importantly the selected banks used herein as case study.

ii) Students and academics hence contribute to the existing literature on marketing or services and particularly as it relates to financial services offered by banks.

iii) Any individual, group(s) and/or organisations that wish to or have interest in the subject matter and have the privilage of laying their hands on it.

1.8 Limitation of the Study

This research has been completed amidst certain constraints. Thus, marketing in the financial institutions, to which banks are

regarded as the bedrock, is a topic on which relevant materials, literature and applications are still scanty. Hanson (1979) for instance, asserted that: "it is indeed a pity that so far no major work on the subject of bank marketing in the United Kingdom (UK) has been published even in the - United States (US), there was such a comparative shortage of literature on the subject".

So, that is the situation even in the developed countries, where marketing has relatively found its puttings. It, therefore, goes without saying that in developing countries the situation "can better be imagined than described". It follows also that this scarcity of relevant materials and publications constituted a major limitation to this study.

Other major limitations of the study include the number of banks considered, geographical spread, time and financial resources. In addition to these, the sample used was relatively small and the concentrations of the research questionnaire on banks within Zaria and Kaduna metropolis posed further threats to the ability of the findings to make any objective generalization.

Nevertheless, this does not preclude that the aim of the exercise has not been achieved. But, rather it highlight its loopholes for the benefit of the enthusiastic readers who might wish to add on this humble research. It is as well intended to predisposed the minds of the critics of these inadequacies, thereby serving a dual functions.

1.9 Summary of the Chapter

On the whole, the chapter has simply introduce the subject matter of the project, that is marketing in the banking industry. It highlight certain problems to which attempt is made to find solution to, it went on to explained the purpose of the study viz, Identification of marketing functions and practices in the banking industry. Furthermore, four banks were specifically selected as sample for constant reference in the research. In the meantime, descriptive research method was used, These made it easy to find out the degree of understanding and acceptance of the importance of marketing functions and concepts as well as there application in the day-to-day activities of banks. However, all these were done without ignoring any of the constrainsts enumerated in the chapter.

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CHAPTER 2

LITERATURE REVIEW

2.1 The Meaning of Marketing

A number of definitions have been offered for marketing by various authors. Some of these definitions are quite laconic, while still others appears to be lackadaisical in their approach. In fact, some definitions touched only a part of the total marketing system. However, it is prudent to consider some few definitions of marketing that have universal recognition, as given by highly respected authors and bodies in the field of the study. To begin with the American Management Association (1960) defined marketing as consisting of "the performance of business activities that direct the flow of goods and services from producer to consumer or users". On the other hand, the Chartered Institute of Marketing London (1990) has defined marketing as "a management process which identifies, anticipates and supplies customer's requirements efficiently and profitably".

Similarly Kotler (1984) sees marketing as "a social process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others". Furthermore, Peter Drucker (1973) explained that marketing is so basic that it cannot be considered a separate function..... It encompasses the entire business seen from the point of view of the final result, that is, from the customer's point of view, concern and responsibility for marketing must therefore permeat all areas of enterprise".

However, the most up to date explanation is the one given by John Cox (1988) in the 'Banking World' as thus, first, marketing is an ethos spread throughout the whole organisation and not limited only to those who are in immediate or direct contact with the customer.

Everyone in an organisation has a customer and their job should be to ensure that customer is satisfied. Every part of an organisation has a customer, even if it is only another department within the organisation, and the more this customer satisfaction ethos can be spread through it, the better it will produce its end products and services, whatever they may be. Second, marketing is a business management function. It plays a part in developing corporate strategies whilst at the sametime it must take corporate policy as the basis for its own planning.

Third, marketing is a profession. To be a professional marketing person requires examinations, qualifications and experience in marketing.

Fourth, marketing is a strategic and planning function and is not specific to subjects such as advertising, market research or selling. It encompasses everything that has to do with profitably serving the customer. In the fairly recent past, banks have tried to get their traditional bank managers to sell and when it was found that this was seen as beneath their dignity, the word marketing was used in its place. This has unfortunately downgraded the concept of marketing in the eyes of many bankers.

The marketing functions therefore encompasses a wide variety of techniques and activities. It is concerned with identifying and analysing markets; understanding how consumers are motivated and how they behave in those market as well as identifying groups of consumers which are of particular interest to the business. To build the link between the business and its consumers requires the development of an appropriate marketing mix - popularly referred to as the 'Four Ps' - viz products, price promotion and place (these will be explaine later).

These must be managed to ensure that the right type of product is available at the right price, in the right place and that the customer is aware of this. It is often argued that the marketing mix for services such as banking includes a fifth 'P' - people, to emphasis the importance that will be attached by the attitudes and performance of the individuals supplying the services. In current business environments, marketing is arguably for important to be left solely to marketing departments. It is an approach to business and an attitude to consumers which must permeate the structure of an organisation. The successful marketing oriented company will be successful only if the philosophy underlines all activities, not just at senior management level but also among employees at all levels.

Furthermore, it is becoming increasingly evident that marketing is not simply a short term tactical component of business.

The four elements of the marketing mix are of undoubted importance, but their simple manipulation will provide little in

the way of long term solutions to an organisation's marketing problems. Effective marketing is dependent on the organisation taking a strategic view and considering marketing as an integral and driving force in its strategy and planning.

For Nigeria, the Banking sector has witness significant and condtinuing changes since 1986 when the present government adopted the policy of Structural Adjustment. Like anything that is subjected to changes, the Nigerian banking sector has never been the same since it witnessed the highest degree of deregulation in 1987, barely one year into the Structural Adjustment Programme. The changes brought about by deregulation sent resounding signals through the entire banking system. Good or bad, the effects of the 1987 changes have today manifested in the introduction of further restrictions in the operations of the banks. Further changes will become inevitable in the 1990's with the full application of the Prudential Guidelines and the Banks and Financial Institutions Decree 25 of 1991, as well as the new, sweeping powers of the Central Bank of Nigeria. With these changes, I believe it is only a matter of time before we begin to witness casualties of the various restrictions affecting the Nigerian Banking sector.

Noticeable change among others that were observed in the Nigerian Financial sector in 1987 when banking was deregulated, and new foreign exchange management and allocation policy introduced includes, Competition among commercial banks and merchant banks doubled; the licensing of new banks that brought many new commercial and merchant banks into the financial sector.

For instance, Cornelius (1992) said as at 31st December, 1988 a total of 64 banks (39 commercial, 20 merchant and 5 development/ specialised banks) were operating in Nigeria. By 1990 the number of banks had increased to 130. At the same time, non-banks, finance companies become more prominent offering so called specialised services. Other effects of the 1987 deregulation of the nation's financial sector, apart from the acute competition, include:

- Strategic restructuring of banks' management;
- Improvement of technical support, especially through increased computerisation;
- Frequent staff/personnel mobility;
- Establishment of new merchant and commercial banks and financial houses;
- Declaration of bumper profits and unprecedented operating results;
- Increasing cost of funds.

Meanwhile, users of financial services have been baffled into inaction and confidence rating in the nation's banking sector has continued to decline. Competition will also be sustained among banks in 1992, but a new dimension featuring competition between banks and non-bank finance organisations will be witnessed in view of the fact that the ability of any finance organisation (bank and non bank alike) to operate successfully from 1992 onward will depend on creativity, innovation of service; less dependence on deposits and advances, proven capability to earn income from fee-based, specialised services and most important of all an improved perception by the market.

A number of key facts underscore the significant role while marketing has to play in the survival of banks for the rest of 1990's, given continued government restrictions.

Strategically, bank's marketing strategy, given the restrictions envisaged from 1992 onwards - should aim at addressing the operators' image and emphasising adaptation as a means of competing in an overcrowded market place in the 1990's.

This marketing challenge to improve image perception is critical in evolving positive customer response (especially from high network individuals).

It is clear that the Nigerian banking sector operators cannot rely on conventional sources of income for too long. As competition becomes more intense in the 1990's banks should become more flexible in their operations, adapting to changing times as a means of competing. Packaging new, consumer-oriented products, extending existing services and actively segmenting the market constitute strategic survival approaches in the 1990's for Nigeria's banks.

If we pause to consider another definition of marketing by Philip Kotler (1984) in his popular book, "Marketing Management", the relevance of the above 2 pronged marketing strategy becomes obvious.

For, according to Kotler, marketing should be ".....an attitude or organising business to serve the needs of well defined customer groups, and to accomplish this by blending research, product development, pricing, service and promotion to achieve superior competitive positioning in the marketing place".

Unfortunately, the banks did not seem to have learnt from the experience of the consumer goods manufacturing sector, which for several years disregarded marketing management in favour of allocative management. Today the banks have concentrated on foreign exchange allocation, loans/advances portfolio management while limited resources go to research and development of new products and effective promotion. Once again, it is my belief that the ability to survive in the 1990's where restrictions in the banking sector will persist will depend on the quality of marketing available in each bank. Put in another form, the marketing strategy of banks should be essentially customer focussed to survive in the 1990's. To achieve this, organisations offering financial service must:

- adopt emphatic positioning;
- demonstrate skill and expertise in meeting customer needs/requirements.
- adopt problem-solving approach in dealing with customers.
- evolve strong corporate identity which must be synonymous with the image of product or service being offered.

In this situation the advertising strategy of banks should essentially aim at achieving stronger positioning for the product or service in order to exploit new market opportunities and selecting the target segment more carefully through effective use of psychographic analysis.

Having considered the appropriate marketing and advertising strategies for banks in general, the key word for 1990's is "Success".

Marketing will be concerned with getting and keeping customers for banks, while advertising will ensure that bankers reach their significant target markets effectively, without contravening the restrictions of the Central Bank. For both these functions, it is advisable for banks offering financial services in the 1990's to separate functions and ensure appropriate division of labour. In particular, it is counter production to give marketing function to a treasury officer or give advertising responsibility to a funds sourcing manager. Bank's marketing and advertising have been particularly defective because of their failure to separate functions and responsibilities as well as inadequate professional consultancy or counselling.

The Marketing Concept

The marketing concept is a customers' needs and wants orientation backed by integrated marketing effort aimed at generating customer satisfaction as the key to satisfying organisational goals. This makes the difference between selling and marketing concepts. As Levitt (1960) in his "Marketing myopia" puts it thus; "selling focuses on the needs of the seller; marketing on the needs of the buyer. Selling is pre-occupied with the seller's need to convert his product into cash; marketing with the idea of satisfying the needs of the customer by means of the product and the whole cluster of things associated with creating, delivering, and finally consuming etc". Although the concept is a business philosophy than has a long history, dated back to early mid-1950's, banks and other financial institutions had little understanding or regard for marketing.

A few banks adopt the marketing weapon of advertising and promotion concept. This method attracted people to banks but could not convert customers into loyalist of a particular bank. Consequently, banks began to formulate a large concept of marketing, that try to pleased the customers. In fact, up till 1970s banks seems to have done little in the way of separate advertising compaigns for each bank, rather than the old joint advertising that was designed to promote banking itself and not one particular bank. To this extent, one may be tempted to ask for the reasons for the slow adaptation of marketing by executives in the banking industry.

Stanton and Ellis (1978) quickly advanced some reasons for lack of marketing orientation as stated below:

a) In many service industries to which bank are one, the sellers think of themselves as producers or creators and not as marketers of the services. Hence, service is erroneously seen as invariable and undoubtingly personal, as thus performed by individuals for other individuals.

b) Top management are yet to recognise how important markeing is to the success of a firm. This failure is three areas of weakness:

   i) these executives have limited view of the business they are in. They equate marketing with selling and fail to consider the other parts of the marketing system;

ii) management fails to recognise that many of its problems are marketing problems; once this fact is recognised, and even where this fact is recognised, management may still not act quickly;

iii) there has been insufficient coordination of all activities in service firms. Many banks for instance lack an executive whose sole responsibility is marketing.

Similarly, Fredrick and Charles (1982) posited some rather out dated reasons for the slow acceptance of the marketing concept in the banking industry which include among others:

i) demand for many bank services has outstripped supply;

ii) the providers of banks services have typically been small, or unsophisticated about marketing or both;

iii) competition in the banking industry has been weak or non-existent; and

iv) services are relatively difficult to market, particularly because of their intangibility.

Despite these obstacles, the popularity of marketing concept and the use of marketing functions or techniques in the service indistries and particularly banking sector appears to be growing rapidly in both developed and developing countries of the world.

2.2 Marketing of Financial Services

Marketing financial services must be one of the biggest growth industries in the country, not only in terms of expenditure but,

more pertinently, to those involved in studying or working in the subject. In terms of articles, books, courses and practical marketing. Of significance here, is that services particularly those provided by banking industry is seen as different, and experience both inside banking and in many other organisations would indicate that they are different. This is important to understand in the practice of marketing since, whilst marketing techniques and tools may be the same accross business, they must be practised in the light of the culture of the industry or institutions concerned.

The major differences are that banks:

- use their retail outlets both to buy their raw materials and sell their products.
- their relationship with their customers is ongoing, involving products they use everyday.
- the nature of some of their products puts them in the position of a financial policeforce. This affects customer attitudes to banks, staff attitudes to customers and the bank's culture.
- banks traditionally have recruited straight from school or higher education and provided a life time career. Bank staff have never therefore been real bank customers since they usually have to bank with their employers.
- banks customerily have had all management functions carried out by bankers. Apart from technology, few specialist are recruited from outside.

Dan, R.E.T. (1978) further classified service businesses, that is, including banking into two, hence either equipment based or people-based depending on, how the service is rendered or the type of equipment or people that render the service.

However, the limitations of this classification are obvious because it has been widely acknowledged that as service businesses evolve, they often move along the spectrum from people-based to equipment-based or vice-versa. Also many companies have been found to be in more than one type of service business. Virtually all banks, for example, operate multiple-service businesses, some of these are equipment-based, as in transfer and storage of funds. Others are people-based, as in the financing of a home, car, or business, because they all require judgement about the financial management of funds.

But then, 'service' whether it is people-based or equipment -based have identical characteristics aptly stated as follows:

Intangibility

Services are essentially intangible since the litmus test of the senses, that is, tasting, feeling, hearing, seeing or smelling cannot be applied before the purchase.

Several authors have emphasized the need to 'tangibilize' advertising for services.

Kotler (1984) puts it more succinctly as thus, the service provider:

a) can emphasize the benefits of the service rather than just describing its features;

b) can develop brand names for their service to increase confidence;

c) can use a celebrity to create confidence in the services.

d) can increase the service's tangibility.

Inseparability

Most banking services are inseparable from their provider or the source. In other word, the physical presence of the source or the user or both may be required. The marketing implication of this feature to the banks is that channel of distribution is limited to direct selling and opening of new branches since a seller's services cannot be sold in very many markets simultaneously.

Variability

Services are highly heterogeneous. It is almost impossible for a bank to standardize output. This is because service depend on who provides them, when and where they are provided. In fact, it is highly situational. It is therefore, particularly difficult to forecast the quality in advance of buying a service.

But a bank can remedy this by, first, paying particular attention to "product" planning stage of it marketing programme. Second, it should invest in good personnel selection and training. Third, ensure effective monitoring of customer satisfaction through suggestion and complaint systems, customer serveys, and comparison shooping, so that poor service can be detected or corrected or both.

Impermanency (Perishiability)

Like some agricultural products many services are perishable and cannot be stored.

Time is important for banking services. All these factors have an important effect on the way marketing is seen in the banking industry, and how it has been adapted. They also have a fundamental effect on the application of the marketing ethos.

2.3 What is a Bank?

As an unavoidable digression I will briefly look at the context from which the study consider what a bank is. This is because of its importance in the study generally. Though, it seems there is yet to be a simple universally accepted definition of 'Bank', 'Banking' and 'Banker' are similarly undefined. Perhaps this may be due to the nature of the evolution of the word 'Bank' which was speculated to have evolved from the name of an early Bank-'Banco San Giorgio' in 1407. Nevertheless, as long ago as 1882 attempts were made to define the terms, that is, 'Bank', 'Banking' and 'Banker'. For instance, the Bills of Exchange Act stated that, "Banker includes a body of persons whether incorporated or not who carry on the business of banking". But, Banking world Magazine (1988) observed that this provision was intended not as a definition, but as a clarification of the status of the Joint Stock Banks. On a similar note, the Act only stated what business a bank is in without explaining what that business really is.

Another definition given by Dr. Hart in Illiya (1991) is that which says, "A bank or a banker is a persons or company carrying on the business of receiving monies, and collecting drafts, for customers subject to the obligation of honouring cheques drawn upon them from time to time by the customers to the extent of the amount available on their current accounts".

This definition appears more elaborate, thus substantiated the business of a bank as that of receiving monies for credit of an account, and allowing depositors to withdraw on demand at some future dates.

The foregone definition is more closely related to the court ruling which have been widely accepted as a general criteria by which to answer question as, what is a bank? This ruling was given by a famous London based Judge-Lord Denning (1966) as quoted in Banking World (April, 1988) in a case between United Dominions Trust V. Kirkwood where he said, "There are therefore two characteristics usually found in bankers today: (i) they accept money from, and collect cheques for, their customers and place them to their credit; (ii) they honour cheques or orders drawn on them by their customers when presented for payment and debit their customers accordingly. These two characteristics carry with them also a third, namely (iii) they keep current accounts, or something of that nature in their books in which the credits and debits are entered". Now, for most normal purposes Lord Denning's three characteristics provide a good working definition of the banker and his business. This is inview of the fact that even the 1979 and the recent 1987 Banking Acts have not provided any new or different definition. Rather it prohibited the use of 'bank', 'banker' and 'banking' by others than the 'recognised banks' of the Act, and specify the category of authorised institutions that could used the terms to only those that met the prudential requirements specified in the Acts respectively.

In Nigeria, the collapse, for example, of the Nigerian penny bank in 1946, where many depositors lost their savings, brought about public outcry and the government was forced to set up the paton commission of enquiry. The recommendations of the enquiry was made known in 1948, and the first Banking Ordinance was passed in 1952. This Ordinance and the Act that later replaced it tried to give a definition of 'bank' as "any person who carries on banking business", and banking business is further defined as "the business of receiving money on current account and collecting cheques drawn by or paid in the customers and of making advances to customers". This remain the statutory definition of banking, although with minor modification in 1958, until the Banking Act of 1968 which redefined banking as "the business of receiving monies from outside sources as deposits, acceptance of credits or the purchase of bills and cheques or the purchase or sale of securities for the account of others or the incurring of the obligation to acquire claims in respect of loans prior to their maturity or the assumption of guarantees and other warranties for others or the effecting of transfers and clearing, and such other transactions as the commissioner may on the recommendation of the Central Bank, by order publish in the federal gazatte designate as banking business".

This means any person or entity that choose to carry out business of this nature is called a 'bank'. Since then Nigerian banks have been operating on this Act, hence in this study we shall confine the use of the term 'bank', 'banking' or 'banker' within the context of these definitions too.

2.4 Bank Marketing

Colin Mclver (1987 Pg. 53) said "Marketing is a treacherous word. People from different industries or different managerial positions can argue about its merits and demerits without ever discovering that each has a different stereotype in mind". To avoid waffling, he further contended, "you must define your terms and viewpoint". Nowhere is this truer than in bank marketing. You can attempt simplification by saying that for banks as for other organsiations marketing is a matter of satisfying customer needs profitably. But who are a bank's customers? The private individuals to whom it lends money or whose money it undertakes to look after? The sovereign borrowers in the developing world, who cannot theoretically go into liquidation, but can be a shade difficult about repaying their debts? The international wheelers and dealers, who want to buy and sell shares or currency or commodities around the world? Clearly all of them, with many subsectors within each category. This makes customer segmentation essential, which in its turn leads to complications, particularly when the same individual can appear in several different segments; and to the suspicion that some customers may be favoured at the expense of others.

Nor is the complexity of customers the end of it. In common with other industries the banking industry has responsibilities, which marketing cannot overlook; to its employees, shareholders and society at large. And more than others it has a responsibility, alongside the government of the day, for maintaining the health of the national economy - bother as dispenser of financial life blood to other industries and as itself one of the few thriving

industries left in this beleaguered island. Clearly the concept of bank marketing has to be widened from a lively concern with customer relations to include a far-sighted vision of the banks' role in a frenetic economy and an evolving society; and it has to involve the reconciliation of frequently conflicting objectives.

Marketing is therefore, too important to leave to the marketing department, but requires the active participation of *senior management and indeed of the whole organisation since it* is understandable that bankers can no longer be kindly sympathetic folk. Opportunities have had to be grasped, competition countered, the galloping pace of technological change absorved - and the growing prevalence of rogues provided for. The banks have had to cope with increasing demand, the internationalisation of financial services and remorselessly rising overheads; they should be congratulated on the way they have survived the process. Marketing managers can be very borming about the need to remember the customers, without whom no business can survive and so on; but this is largely because other managers tend to forget them. *Bankers who have to say "no" as often as "yes" cannot expect the* same level of popularity among their customers as grocers and other retailers whose main objective is to empty their shelves as fast as possible. But they can aim to be respected as capable advisers, competent administrators and humane individuals - the masters, not the slaves, of the judggernaut computer. The interest the senior managers of banks now take in public attitude tracking research is commendable, but is there more than just percentages of an anonymous mass; it might be salutary if they could sometimes listen in to the horror stories retailed by one bank customer to another.

Disaffected customers are not a problem that can be handled by marketing departments devising self-congratulatory corporate advertising campaigns or incentive schemes to encourage cosmetic manifestations like smiling cashiers. What counts is the corporate culture built by successive mnagements over the years, the training on and off the job, and the organisational structure which matches segmented customers to segmented and appropriately qualified staff and services.

Marketers habitually measure success in terms of growth, market shares and profit. Growth over the last forty years looks impressive, whether measured by number of customers or turnover, at home or abroad. But growth in a growth market like financial services is not difficult to achieve. Market shares do not present such a bright picture. The loss in share of personal savings to the building societies and of corporate advances to foreign banks can both be explained away, but would still disturb a clearer's marketing supremo if there were such an animal. As for profitability, it might have been imprudent from a public relations viewpoint to add to the banks' populist reputation as bloodsuckers by declaring higher profits over the past twenty years. But it could certainly be argued that profits earned during the fat years should have been higher in order to provide for the leaner years that are likely to result from the intensified competition ahead. In the light of hindsight the banks' record as businesses has not been impeccable; and marketing strategy, or its absence, has a case to answer.

Banks that pride themselves on being marketing-led like to boast about the high proportion of the revenue derived from products and activities that did not exist ten or twenty years ago.

This is often a matter of branding (a rose smelling as sweet by some other name, and being promoted twice as had) or of exploiting technological developments to re-formulate familiar products (a fish transmogrified into fish fingers) or of diversification through acquisition.

It is difficult for a bank whose fiduciary responsibilities require it to be conservative in its policies at the sametime to pursue adventurous innovations. Customer complain that "they" were unconscionably slow in moving aggressively into the mortgage market, in introducing high interest accounts, in providing for automatic transfer of funds between current and deposit account, in adjusting opening hours to suit the working population. But the record or innovation in the three fields of branding, exploitation of technology and diversification into new areas is impressive, even disturbing for those with a taste for the familiar. Branding, linked to customer segmentation, offers a bewildering variety of savings, loan and investment schemes that customers, find impossible to untangle.

Innovation is proceeding apace - though sometimes there were more obvious differences between the offerings of the rival banks. There was a time, well within living memory, when the banks' organisa tions and procedures were clearly directed towards the reduction of risk rather than the encouragement of enterprise; with the strict limits on individual authority, it was seldom clear to the observer where and how the key decisions were actually made.

That is being changed by the massive expansion and diversification of the banks' business, with the attendant need for specialisation Bank organisations are being visibly eased towards the familiar structure of the international conglomerate, where there is a strongly centralised strategic direction, exercised through the control of the capital allocation, of managerial appointments, and the monitoring of results; and a clear decentra lisation of operational accountability.

This is reflected in the typical clearing bank by a central treasury, a central personnel function and a central planning activity, concerned mainly it seems with hardware, premises and finance. The marketing function in its broadest sense seems typically to be divided, with advertising, basic marketing research and public affairs located at the centre and tactical implementation, including product development, in the specialist divisions or subsidiaries. Whether the absence of a comprehensive marketing function at board level, at the centre is best calculated to foster the market-related aspects of long-term strategic planning is a question that the anxious customer-shareholder citizen can perphas be permitted to ask.

2.5 Strategy and Planning of Marketing in Banks

As it is discernable from the literature reviewed so far, marketing can only be successful through a well articulated marketing plan. In fact, the objective of marketing particularly in the banking industry must be seen within the framework of corporate plan as a whole. Thus according to Christopher Matin, as quoted by A.B. Akpan (1992),

"Marketing Planning is the Systematic application of marketing resources to achieve marketing objectives. It is the means by which an organisation seeks to monitor and control the hundreds of external and internal influences on its ability to achieve profitable sales. Marketing planning also provides an understanding throughout the organisation intends, to take to achieves its objectives. This helps managers of different functions to work together rather than to pursue their own functional objectives in solution".

A marketing plan therefore, contain a review of:

i) the marketing environment.

ii) the marketing objectives for new and existing services.

iii) selecting, strategies for manipulating factors in the 'marketing mix' so as to achieve organisastional objectives.

iv) detail marketing strategies, and

v) detail monitoring programme for all strategies.

Marketing Strategy

The need for marketing strategies arises because managers need to develop a set of decisions and actions which lead to develop ment of an effective marketing strategy or strategies to help achieve corporate goals and objective.

The market place and the economic environment are continually changing. Customer's needs and wants change everyday, competitors are increasing and their mode of satisfying consumers is consistently improved. Technological innovations are greatly improved. As a result of these, marketers need to develop strategies aimed at achieving the objectives of the organisation.

Whatever kind of business an organisation is in, it has to evolve and include in its plan certain strategies that will lead to objective accomplishment. R. Duro and B. Standstrom (1987) opined that "strategy must be devised so that competitors can be monitored and, where necessary, out manouvered". Since , in a matured market, this is an absolute precondition for survival and success.

A bank's competitive marketing strategy for example, would have to take account of the following factors:

i) The company's competitive size and position in the market.

ii) The company's resources, objectives and policies.

iii) The competitors marketing strategies.

iv) The target market's buying behaviour.

v) The stage of the product or service life cycle.

vi) The character of the economy.

These factors commonly referred to as "S.W.O.T." analysis, indicated the "fighting potential" of a firm on the basis of which it is acting, and relates to the importance of creating the maximum 'freedom of action' for an offensive. There are different strategies which can be applied in the 'marketing warfare'. The options are broadly splited up into two group namely 'Attack strategies' and 'Depence Strategies'. They are as summarised in figure:1:

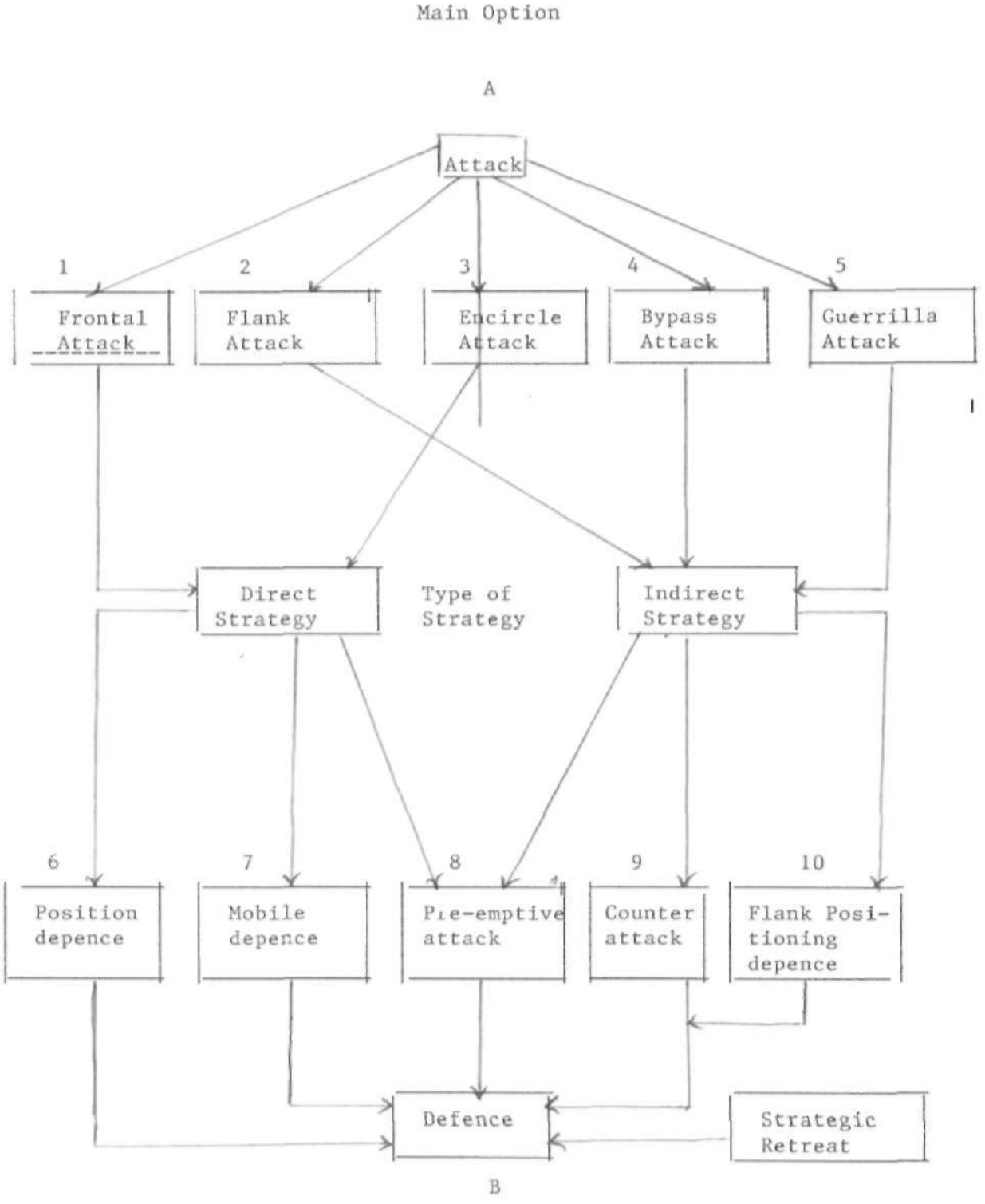


Fig. 1. Source: Adapted from the Basic Principles of marketing warfare, by Robert D. and Bjorn S. Copyright c 1987 by John Willey and Sons Ltd. Page 128.

The choice of strategy must be made against the background of the positions a firm and the competition stand in the market.

The Boston Consulting Froup (BCG) a leading management consulting firm, developed and popularized, an approach to strategy formulation based on, market growth rate and relative market share better known as 'BCG' or Growth-share' Matrix. It is most useful in multi-business or multi-product or service situations. Hence, the market growth rate on the vertical axis in figure 2 indicates the annual rate of growth of the market in which the business operates. On the other hand, the relative market share on the horizontal axis indicates the market share relative to the largest competitor.

The growth-share matrix is divided into four cells, each indicating a different type of business:

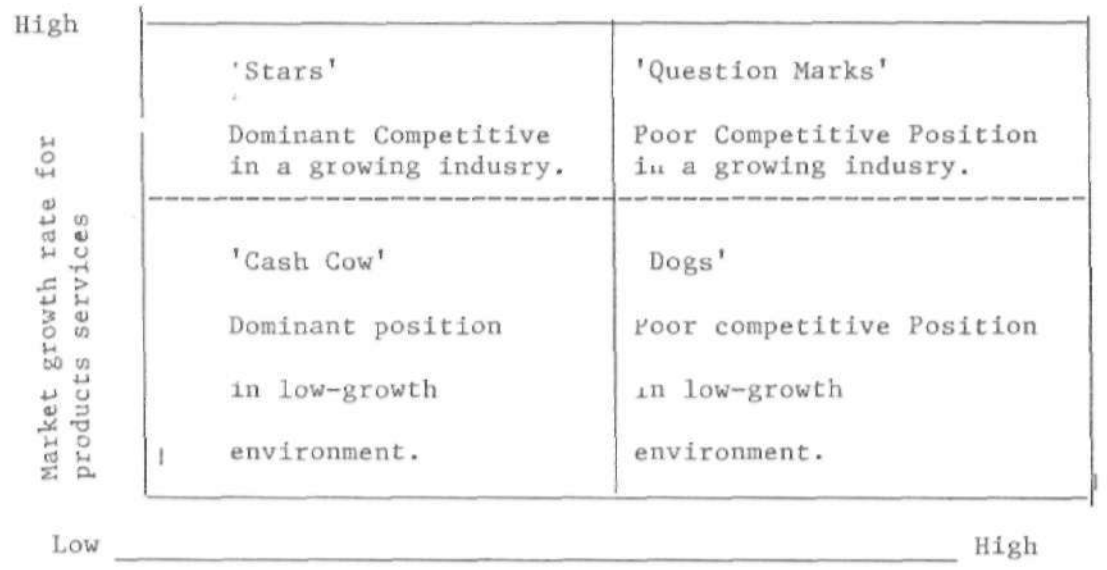


Figure 2 Source: Schermerhorn J.R. Management For Productivity 1989. Page 149

2.6 Marketing Research

Marketing Research is the systematic gathering, recording, and analysing of data about problems relating to the marketing of goods and services. The research has to be conducted in an orderly manner that ensure a fair and accurate result. The analysis and interpretation of the data must be handled with impartiality.

As said earlier in the beginning of this chapter, all marketing efforts are geared towards getting products or services to the consumers at a profit to the supplier. This requires the ability to anticipate or identify a consumer need. Marketing research plays a crucial role in identifying these needs and quantifying the opportunities available to the product. Edwin J. Ornstien (1972) said "its purpose (marketing research) is to provide a back ground of information on which judgement can be based. It can usually quantify the potential market, and thus reveal the share already obtained; it can also show whether or not there is growth in the sector. It cannot with any accurancy disclose what additional share is likely to be obtained; but it can aid judgement on this, by probing the characteristics of the market and attitudes towards the company and competitors. It can also locate the market, and thus provide the basis for estimates of cost of reaching it, and indicate whether there are advertising or other promotional media sufficiently selective to the market sector to avoid too much waste".

Marketing research could be qualitative in which case it will involves bringing together focus groups (either employees or consumers) to discuss the concept in an open forum that allows for interaction and exchange of ideas.

Or it may be quantitative research in which case direct mail, written explanations, visual material etc. assist in considering the concept.

Bank product or service developed through research succeed more often than not. Research by the United State Consulting Firm Booz, Allen and Hamilton shows that of all new product concepts generated by banks in U.S. through intensive research and development (R & D) process, only about fifteen percent ever make it to the market place as new products. Of the fifteen percent, sixty-five percent are successful. On the other hand, more the 65% of the products introduced into the market without the Research and Development (R & D) discipline at formulation stage fail in the market place.

Financial Product Development Research is also useful in identifying which product features are most useful to the consumer, and to determine the value that the service would add to the consumer. However, in many cases, new products whether arising by innovation or imitation face stiff opposition from board members, especially when the concept of the product is contrary to past tradition or long-established policy. Nevertheless, after prolonged pressure from both customers and staff, board members give their consent with reluctance. But where such a quandary arises, a sensible course is to test the product, unadulterated if possible, in the field on a pilot test basis.

The pilot test must be of actual selling under realistic and measureable conditions. Judgement of the result of a test requires pro-set targets.

Only an outstandingly good result would justify extension nationally. The result of say two areas added together should be taken as optimum for national operation. Ornstien E.J. (1972) suggested the following as an example of factor evaluation in a two-area test:

	Area 1	Area 2
A - Market potential (base on estimated number of people who might buy)	100	80
B - Effectiveness of sales force (post 12 months' sales a man)	60	70
C - Manager's enthusiasm for new product	2	1
D - Coverage of Market by local promotion media	1	1.5
E - Known special conditions:		
Redundancy in major industry	10	-
New salesman starting	-	10
One salesman ill	-	20

These factor were combined in a formula as follows:

$$(A \times B/100 \times C \times D) \pm E$$

The target for Area I was thus 110; in Area 2, 74. In the outcome, sales were in the proportion of 117 for Area I, and 93 for Area 2, and were taken as a strong signal to go national. Evaluation of target factors involves an element of guesswork, but this is more reliable than working without figures.

2.7 Market Segmentation

Segmenting markets is part of the marketing strategic planning. It is the process of estimating and dividing the total market into distinct set of customers, each of which tends to be homogeneous in all significant aspects. More aptly puts, a segmented market is a group of customers with discernible characteristics. Hence, the total market for most types of products and services is too varied, too heterogenous for management to consider it as a single uniform entity.

Also, market segmentation is believed to have a direct bearing with customer-oriented philosophy-marketing concept earlier discussed. Because, it first identify the needs of the customers within a submarket and satisfy those needs. In fact, "by employing the strategy of market segmentation, a bank can design 'products' that really match the market demands. Advertising media can be used more effectively, and management can develop promotional messages more specifically aimed toward each segment of the market.

Thus, effective segmentation in the opinion of Stanton (1984) must meet the following conditions:

i. The characteristics used to categories customers must be measureable, and the data must be accessible.

ii. The market segment itself must be accessible through esisting marketing institutions, for example channels of distribution, advertising media, company sales force, and so on, with minimum of cost and time waste.

iii) Each segment should be large enough to be profitable.

In essence, the concept of market segmentation is emphasising that different groups of potential customers have their own needs, that could be reached with a separate combination of marketing mix element, with minimum cost that allowed a company certain percentage of profit.

Quoting Illiya D. N. (1991) "The market for banking services is clearly divided between personal customers and corporate customers: Though corporate customers can further be segmented into small businesses medium-sized businesses and large businesses; or perhaps into exporters, importers and domestic traders.

On the other hand, personal customers both potential and actual can be segmented too, by say age group, income level, social class or marital status. Hence all of these are potential savers and borrowers, with varied needs in the market for depositing funds, saving and or borrowing.

2.8 Marketing Mix

Marketing mix is one of the key concepts in modern marketing theory and is defined by Kotler (1980) as "the mixture of controllable marketing variables that the firm uses to pursue the sourght level of sales in the target market". In other word, a typical marketing mix would include one 'product' (or services as the case may be in the service industry) offered at a 'price'; probably with some 'promotions' to tell potential customers about the availability of the offering and the 'place' the offer could be found.

E. Jerome McCarrthy (1978) analysed the problems that face both large and small copanies and reduced the number of variables in the marketing mix to four basic ones popularly tag the 'four Ps' of marketing as thus:

1. Product;
2. Price;
3. Promotion and
4. Place.

Product: a product refers to both tangible and intangible things that can be offered to a market for attention, acquisitions, use or comsumption that might satisfy a want or need. It, therefore, includes physical objects, services, persons, places, organisations and ideas. In other words, a product is a bundle of benefits and or a set of attributes (tangible and intangible) for which a customer is willing to entre into an exchange. In this light, the product is the vehicle through which the match between bank's resources and customer needs is achieved.

Over the years, banks have been compelled to develop a wide variety of services. Perry F.F. (1975) categorised the types of service products offered by most banks today, but in a more modified or improved and competitive form into eight broad headings:

1. Advances;
2. Deposits;
3. Financial Services;
4. Foreign Services;
5. Money Transmission;

6. Savings;

7. Services of place and time; and

8. Status.

It should be noted however, that each bank would choose and design the variety of its products to suit the taste of its large market and potential customers. Thus, a market research might be necessary to determine these customer preferences.

Promotion: the term promotion is used to sum up what would otherwise be variously distinguished as advertising, personal selling and other forms of sales promotions. Promotion in the Banking Industry is akin to image building or formation. It is the second most important element of marketing mix for banks, because a good product or service, designed to fit a clearly defined market, is the first requirement for success, but the extent of success is strongly influenced by how much the market percieves the company offering the product. This applies to the banking industry more than to most others, because it is usually dealing directly with its market. Hence, manufacturers of tangible consumer goods do not have to worry so much about company image, because they are not in direct touch with their eventual markets. Their greater concern, therefore, is product image. Thus, promotion in general is designed to create the much needed positive impression about a company offering the services. But, more precisely advertising can be used in the banking industry to obtain new customers, to hold existing customers, and to get more business from them.

Similarly, personal selling is quite strategic in the banking industry and this involve a good public relation by staff members especially the cashiers. This is because in the eyes of a customer or prospect dthe company is the one person who deals with him, therefore, the cashiers behind the bars must make the customer feel that they are genuinely interested and concerned to be helpful. Perhaps this could be done by promptly and pleasantly answering his telophone call, addressing the customer by name, explaining with reasons why loan cannot be granted him and thanking him for his continous patronage. In fact, these are factors which form or mar public esteem, and if they become chronically bad, no advertising campaign can overcome them. Another important form of promotion used by banks is sales promotion which include direct mail exhibition and trade fair, sponsorship of sport, and cultural events amongst others.

Price: banks are by design profit oriented organisations and so must face, squarely the task of setting a price on the variety of their services. Kotler (1984)[4] is quoted to have said that "price goes by many names depending on the organisation that is involved". For example, an airline, railway, taxi and bus or public commuters call their prices a 'fare'; NEPA in Nigeria charge their customers a 'rate'. And so the price you pay for bank loan is called 'interest'.

Christopher M. et-al (1980) pointed out that the pricing decision is important in a number of ways but, clearly, its main importance lies in, its direct and indirect effects on profit.

Thus, it directly affect profits by determining the revenue that can be obtained. While, its indirect effects lies in the way in which it influences demand, by affecting the quantity sold, and the way in chiwch it interacts with the other dements of the marketing mix.

This means stakeholders like competitors, customers' price sensitivity and a host of other environmental factors help shape the interest rate a bank set for it services. Moreso, it should also be noted that banks pay interest to their numerous depositors.

Place: Bank services are distributed through the following alternative channels;

1. From a company's single office. For instant untill recently most of the Merchant Banks in Nigeria had only a single office most of them located at Lagos.
2. Through branch offices - clearing or commercial banks operates through numerous branch offices spread over a vast area or market though may be offering the same product or service. Savannah Bank Nigeria PLC, for example has 78 branches all over the country as at April 1st 1992, while Habib Nigeria Bank Limited has 31 branches in the country as at the beginning of the year 1992.
3. By various types of representative or agent such as visiting business customers by bank representatives.

However, the choice of a method of ditribution depend on:

a) Desired or practical area of operation;

b) Location of the market;

c) Buying habits of the market;

d) The frequency with which services are bought or payment are made.

e) The amount of expertice required in selling and servicing.

f) The availability of personnel of the required skills for direct operation, and the cost of paying and managing them.

2.9 Reasons and Future Challenges of Marketing in the Banking Industry.

Reasons for bank marketing particularly in Nigeria includes:

a) The radical changes that is sweeping through the country brought about by rise in educational pursuits that increase a sense of awareness among bank customers and the fact that these customers are becoming more literate, critical, and rational in their savings parterns as well as increasingly becoming aware of their financial strenght.

b) Competiton with the introduction of the Structural Adjustment Programme in 1986 and new foreign exchange management and allocation policy, competition among commercial banks and merchant banks was accentuated.

Thus this would demand for a more marketing oriented strategies as an insurance for banks survival.

Challenges: The only constant is 'change'. This is a popular statement. But, its relevance is pronounced now more than ever before in the banking industry, thus banks in Nigeria for example works round the clock to ensure their business survival.

Yet the sweeping changes in the economy had done away with some and perhaps many more would suffer the fate of National Bank of Nigeria Limited, in the years ahead.

Similarly, it is clear that the Nigerian banking sector operators can no longer rely on conventional sources of income for too long. So, as competition becomes more stiff, banks must become more flexible in their operations (as indded they are), adapting to changing tunes as a means of competing. Furthermore; packaging new, customer -oriented products; extending existing services and actively segmenting the market constitute strategic survival approaches for Nigerian bankers.

Another important marketing challenge is to improve on banking image in the sight of customers which will gurantee their continous response and patronage of a bank service offers.

2.9.1 Summary of the Chapter:

The chapter eleborately reviewed the relevant literatures that are of importance to the study. In it I have addressed some problems of the study.

This also means that some of the purpose of the study might have been highlighted, typically is the characteristics of services viz: intangibility, inseparability, variability and perishability and the differences of service - oriented with product - oriented industry.

Marketing plan was seen to have contained the marketing environments, objectives, strategies for selecting or combining of the best form of marketing mix; infact, even the alternative strategies (attack or depence) have been reviewed inorder to give an idea or guide for possible action. Similarly it would allow for comparison with what is actually obtained in the field as would be seen in the subsequent chapters.

In a final note, the chapter enumerated some of the incumbent reasons and challenges for bank marketing especially in Nigeria today.

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CHAPTER 3

DATA PRESENTATION AND ANALYSIS

3.1 Evolution of Marketing in the Banking Industry in Nigeria

Man is the architect of his own fortunes, thus as he prepares his bed so does he lies on it. These are familier statements which hint at the profound truth of life. Consequently marketing in the banking industry in Nigeria is the creation of man, just as he created the banking business. However, the history of the application of marketing strategies in the banking functions in Nigeria can be traced back to as early as 1960s.

This was triggered when a pocket of small savers, which were hitherto not particularly important to the bankers became the focus of attention. This was because of increasing concern for the lack of deposits necessary to enhance lending opportunities. Stiff competition by the clearing banks, building societies, saving banks and other institutions. To further consolidate their position banks routine operations were computerised and prompt service was the watch word of most commercial and clearing banks. The current global economic recession or depression has been described by world financial experts as the deepest and longest recession in the post-war period.

All the major industrially developed countries share in the sluggish performance characterised by declining growth rates, high inflationary pressures, increasing unemployment and shrinking world trade.

The prolonged recession resulted in weakness in the world trade, with serious adverse consequence, for the economies of developing countries in which Nigeria is one. Terms of trade of primary producing countries fell to their lowest level since the 1960s. While protectionist measures in many industrialised countries also intensified.

Consequently, growth in world trade decelarated and volume of trade declined.

The effect of the current world economic recession is transmitted to the Nigerian economy through decline in the demand for her more crude petroleum export which accounts for the bulk of the country's exchange earnings and government revenues.

Yakasai G.A. (1987 Page 3) said 'the effect was dramatic since Nigeria crude oil production fell by nearly 50%. This is clear when compared with production of about 2 million barrels per day in 1980 to just about 1.3 million in 1982 and in fact it went as low as 0.6 million in early 1982 when the economic stabilization measures wereintroduced in April, 1982. But, not much was achieved when the Military Government came to power with a view to rescueing, reviving and revamping the ailing economy and to this end more tougher and restrictive economic measures were further introduce. For instance, in October, 1985, a 15 month National Economic Emergency was declared by the Government of the Federation.

Although the economic situation remains depressed particularly due to the sudden fall in oil price after budget proposed was submitted.

The government, which through its large expenditures is the prime mover of the Nigerian economy is thus faced with sharply reduced revenue and is forced to curtail spending. The production and services sectors which are heavily dependant on imports of raw material machinery, equipment, spare parts as well as consumer goods are also faced with dwindling foreign exchange availability. Consequently, domestic production in Nigeria could not be completely isolated from these adverse development.

And it was in this state of situation the Nigerian Financial institutions to which bank is the bedrock has found themselves. Perhaps the greatest challenge facing Banking Industries particularly in Nigeria nowadays is the implementation of Structural Adjustment Programme (SAP) embacked upon by the Federal Government. There is no gain saying that the aim of the programme is to effectively alter and restructure the consumption and production patterns of the economy as well as eliminate price or interest rate distortions. These have a direct bearing on the operations of banks. Because barely one year into the SAP (i.e. 1987) the banking industry witnessed the highest degree of deregulation.

Noticeable changes began to be observed in this sector of the economy due largely to deregulation - new foreign exchange management and allocation policy. These changes accentuated competition among commercial banks and merchant banks. It also influenced the strategic restructuring of Banks' management, and improved technical support, especially through increased computerisation of banking activities.

In addition, deregulation has bring about frequent staff/personnel mobility in the industry; the establishment of new merchant and commercial banks and other finance houses. But, all these were no achievement as Cornelius (1992) observed that, "Economic indicators between 1987 and 1990 have shown that the Nigerian economy did not achieve appreciable improvement since deregulation after all consumer demand has declined and the productive capacity has dropped". It may be added to this assertions that the country has continuously being witnessing what can be describe as anything short of hyper inflationary trend that has consistantly circumbent the Central Bank liquidity mop up and the partial or total collapse of some banks.

The resultant effect or rather the significance of all these facts reveals clearly how strategic the role of marketing would be to the survival of banks and banking indistry in general, in the 1990s, in Nigeria and the World-over. Certainly, banks would have to be creative as well as innovator of new fiancial services. They must understand their customer's perception on proces (Interest rates), they ought to be meticulous in packaging and delivering of their services. Finally, they must ensure a positive image, though customer oriented service and proffessionally designed promotional mix. In other word, banks must integrate, fully, marketing function into their daily activities. These will be further discussed in the subsequent chapters of this research study. In the meantime I present below the raw data collected from each of the selected banks on how they design and market their services to their customers.

3.2 Continental Merchant Bank Nigeria PLC

The Continental Merchant Bank (CMB) PLC formerly Chase Merchant Bank Nigeria Limited was incorporated in April, 1975. Today CMB has five offices situated at Kano, Kaduna, Jos, Port-Harcourt and Onitsha, with a head office at Lagos.

Since inception, CMB has been in the forefront of engineering new products in the Nigerian Financial Market. These products include but are not limited to:

- a floating rate certificate of deposit,
- the Negotiable Certificate of Depositk (NCD),
- a Cash Management Service (CMS),
- the first syndicated equipment leasing transaction,
- Agricultural Finance Services.
- Continental Merchant Bank as Financial Adviser (Mergers & Acquisition).
- Commodity Brokerage.

With these the bank is known to have a proven track of providing efficient and innovative services or products to its customers. In other word, these services are designed to assist corporate individuals and companies with significant turnover to improve their profitability and enhances their efficiency in management of excess funds.

The Bank provides these services by participating (through its various departments) in both money and capital markets. For example, CMB's Treasury Department participate actively in the money market (the market for short-term funds).

i) Floating Rate Certificate of Deposit (FRCD):

In 1982, CMB introduced the first FRCD into the Nigerian money market. The FRCD indexes the certificate of deposit (CD) conpon to CMB's Prime Lending Rate (PLR) and adds or minus a predetermined basis points for the various tenors of the instrument, to that rate. An additional protection is provided the investor by way of an interest rate floor quaranteed by CMB. Investors who wish to have returns on their investments in line with prevailing market conditions find this instrument very attractive.

ii) Negotiable Certificate of Deposit (NCD):

- NCD are time deposits with specific maturities evidence by certificates and tied to a bank's credit worthiness.
- the certificate is flexible, negotiable with CBN and highly marketable.
- NCDs are issued in lots of ₦50,000.00 with maturities of between 30 days to 3 years.

The targeted market for this product (service) are corporations banks and insurance companies.

iii) Cash Management Service (CMS):

This service is described as a current account that earns interest for companies. It is a product designed and packaged to improve the profitability of CMB's customers by enhancing the efficiency of the management of their current account balance.

The distinctive features of this service include:

- credit that is given on the same day for Bank Drafts or local cheques, if paid before 10.00 am on any business day at any of the bank's branches.
- Attractive interest accrueds on daily basis on customers' CMS account with a balance of ₦50,000.00 and above.
- Withdrawal instruction are executed on the same day, if received before 11.00am on any business day.
- Interest earned and statement of CMS account is paid and issued on monthly basis respectively.

The principal large market for this product are companies or individuals that make alot of payment through their commercial banks, and therefore pay a high commission on turnover.

iv) Syndicated Equipment Leasing Transaction:

The bank also participate and lead most Merchant Banking institutions in the activities of capital market. On a similar note the bank provide Advisory financial services. Typically, in 1987, CMB successfully put together, the first ever syndicated lease in Nigerian Financial Market. Leasing is seen by the banks as a distinct form of finance which provides specific benefits for the parties concerned. Thus, "lease is a contract between a lesser and a lessee, giving the lessee possession and use of a specific asset, owned by the lessor on payment of rentals over a certain period".

Although other competitive Merchant Banks have since followed this lead, Nevertheless, ever ahead with great ideas, CMB has continue to explore several other modes of lease financing to suit the needs of its numerous customers. To date CMB has the following forms of leasing:

- Finance lease
- Operating lease
- Sales-Aid leasing
- Contract - Hire lease
- Rental, Hiring, plant - Hire
- Consortium leasing
- Lease Broker.

v) <u>Agricultural Finance Services:</u>

For over 10 years the Bank has been providing good quality services to farmers in all parts of the country. The services designed to meet the strategic needs of each situation in clude.

- Loans that ranges from short-term (12 months), medium-term (3 years) or long-term (3-7 years) repayment period.
- Revolving credit - a convertible credit facility with tenor of 2-4 years.
- Agricultural equipment leasing - a contract between the lessor (the Bank) and the lessee (the Farmer) which gives the lessee possession and use of a specific farm rentals over a specific period, this equipment include; silos, combines, tractors and bulldozers etc.
- Export finance of farm products and or purchase of agricultural commodities for export.

- Documentary credit Facilities for the importation of farm inputs.

vi) CMB's Financial Advisory Services:

This seeks to enhance the competitive, and financial strenght of its customers.

- The bank also seek to bring into a mergers and acquisition transaction considerebla value by strategically planning, identifying and counselling on negotiation tactics and strategies to most companies seeking to merge, be acquired or effect a divestiture.

vii) Commodity Brokerage Scheme:

- This is another service packaged in response to the dynamics of the Nigerian economy. The service has been streamlined to meet the diverse needs of its customers and to facilitate smooth commodity transaction by linking up buyers and sellers.
- It removes the buyer's predicaments of locating source of high quality product.
- It also provide warehousing facilities.

viii) Continental Unit Trust Scheme:

To crown it all the bank proposed what might have been Nigeria's first Unit Trust Scheme in 1984, which was eventually approved under the companies and Allied Matters Decree 1990.

The scheme is designed to enable investors pool their resources together in order to provide for the management and investment of their assets more economically and with great diversifaction than they might otherwise have been able to achieve on their own.

3.3 United Bank for Africa (UBA) PLC

Apart from First Bank and Union Bank Nigeria PLC, United Bank for Africa (UBA) is next biggest and oldest commercial bank in the country. In fact, these banks are popularly called big three in the banking industry in Nigeria today. And so most other bank yield to the decision of these banks.

Not unexpected, therefore, the bank has a blazing trail in the development and marketing of innovative products that are aimed at satisfying its several customers. Indeed, the bank has been able since its establishment about three decades ago to withstand its competitors. Moreso, at the wake of the Structural Adjustment Programme which increase competitions among banks and non-banking financial institution, the bank developed, package and marketed a number of products. Thus, apart from the conventional servcices offered by banks, United Bank for Africa has the underlisted bank products (services) specifically designed to meet the present challenge of competitions and importantly the changing needs its customers.

i) Ubacard Cheque Guarantee Scheme:

This is a real service that offers alot of benefits to its holders hence:

- offer quick and convenient cheque cashing facility, because it is cashable at any UBA branch throughout Nigeria.
- it helps to settle bills for purchases of goods services anywhere within the country since it is transferable.
- minimizes the risks associated with cash transactions by allowing you carry less cash around.

ii) House Saving and Loans Scheme:

This is a savings scheme aimed at encouraging account holders procure mortgage loans, it goes with the following terms and benefits.

- you can save regularly for a minimum period of 24 months or longer.
- customers that saves 25% of the cost of the desired housing loan are entitled to apply for a loan upto four times the amount saved.
- customers are allowed to withdraw a minimum of 30% of their outstanding balance otherwise forfiet the privillage to apply for the loan.

iii) Personal Accident Protection Plan:

- under this scheme the account holder pays some amount monthly into his bank account with UBA.
- the bank on the other hand pay full compesation in event of death or injury.
- the bank pays account holders an amount ranging from ₦50 to ₦200 for every week of hospital confinement resulting from accidents.

iv) Abuja Residential Housing Loan Scheme:

Another project designed by UBA to provide financial assistance to Nigerians desiring to build a house of their own in the new Federal Capital City.

- under the scheme a maximum of ₦200,000.00 loan could be granted to deserving customers.
- however, a personal stake of between 5 to 20% is required by the bank before disbursement. In addition to this certificate of occupancy, tax clearance and comprehensive fire insurance of the building as well as a ppointment of a reputable firm of estate agents who would manage and collect all rents until facility including interest is fully paid is also a precondition for granting the loan to potential beneficiaries.

3.4 Savannah Bank of Nigeria PLC

In pursuance of its policies of establishing branch banks outside the United States, a branch of the Bank of America National Trust and Saving Association (B of ANT & SA) was opened in Lagos in 1960. In 1969 the bank was incorporated in Nigeria under the Companies Act 1968 as Bank of America Nigeria Limited and then became domiciled in Nigeria as a wholly owned subsidiary of Bank of America NT & SA.

In 1976, the Bank adopted its present name Savannah Bank of Nigeria Limited following the acquisition of 60% of its share capital by the Ministry of Finance incorporated on behalf of the Federal Government.

In 1982, 5.8% of the Bank's issued shared capital was alloted to Nigerian Staff of the Bank, thereby reducing the share holding of the Federal Government and Bank of America NT & SA to 39.3% and 34.9% respectively. Bank of America now maintains an affiliate relationship with Savannah Bank of Nigeria Limited. In 1985 the Bank increased its share capital and offered its shares for sale to members of the public having 18.5% thereby reducing the share holdings of Federal Government to 51.3% and Bank of America NT & SA to 30.2%. The Bank's shares are now quoted on the stock Exchange as a Public Limited Liability Company. The Bank has since expanded its operational network to most parts of the country mobilizing savings and providing vital financial services to its numerous customers.

The Bank currently has 78 branches spread all over the country and it hopes to open more branches in accordance with its expansion programme.

As a philosophy borrowed from its mother bank (Bank of America) Savannah Bank Nigeria PLC percieves the function of bank as that of a "great public servant - an institution run in the interest and for the welfare of the people it serves". In the process of doing this, the bank offers a wide range of services designed to attract depositors - taking money at a cost, and borrowers - lending out for a price.

Service Provided by the Bank:

The bank have inaddition to the traditional services offered by most banks, certain categories of facilities it offer to the market with each category different from the other due to the nature of the service itself or the targeted marketed as follows:

a) Time Deposits Open Account (TDOA):

This is an interest earning account opened without reference formalities. The initial deposit must not be less than ₦5,000.00 Further deposits and drawings may be made on the account, but the balance must not fall below ₦5,000.00.

b) Under - 21 Savings Scheme:

A scheme aimed at encouraging self-employment and resourcefulness among schooll leavers. It is designed for the Youths between the ages of 16 and 19 years, both includsive. It is a tripartate arrangement involving the bank, the youth and the parent. An account is opene for the Youth with an initial deposit of ₦50 or more, and further monthly deposits of at least ₦50 are made into the account until the youth reaches the 21 years. At this time, the Youth will be qualified to borrow from the bank twice the balance outstanding on the account, the account itself serving as the only security. The youth will then be able to set himself up in a trade or business, rather than roam the streets in search of a paid employment. The loan may also be invested in Company shares and other financial securities.

c) Foreign Currency Domicillary Accounts (FCDA):

An account maintained in foreign currency with a bank in Nigeria and withdrawable in the currency of the account.

An FCDA may be opened in any of the following currencies recognised by the CBN, US Dollars, British Poundsterling, eutsches Mark, French Francs, Swiss Francs. The categories of people qualified to open such account are Nigerian citizens, resident foreign nationals, foreign deplomats, diplomatic missions, international organisations, bodies corporate and incorporate registered under relevant Nigerian Laws.

d) Telegraphic Transfer (TT):

The transfer of money by cable. This is also used mostly in international transactions. This mode of transfer is very expensive because the remitter bears the cost of cable, apart from the bank's charges. However, it is the safest and fastest method of transfer. The information supplied by the customer is similar to that of mail transfer. Correspondent banks have coding systems by which they can verify the authenticity of each passage.

e) Personal Home Remittance (PHR):

This service assists foreign nations in remitting part of their income to their home countries. It is one of the services covered under exchange control regulastions for "Category A" items (i.e. non-trade transactions). Presently, the amount remittable is 75% of the salary net of tax. Method of remittance is usually Bank Draft or Telegraphic Transfer.

f) Seven Export Finance Scheme:

The export customer transports the export produce to the designated warehouse.

The financing of warehouse receipts will involve SBN export ustomers operating Escrow Accounts with other banks' branches in localities where SBN has no branch. Depending on the locality and the distance between SBN nearest branch and the location of approved Warehouse facilities, firm arrangements will be made between SBN and another bank branch to open an Escrow Account. The release of any funds deposited into the Escrow Account will be against an authenticated Warehouse Receipts (Warrants) by SBN and by order of SBN's designated officers. Specimen signatures of such SBN designated officers will be kept by the Manager of the bank branch chosen.

g) Portfolio Management Services:

A service whereby the bank relieves a customer from the trouble of looking after his own investments. It is intended for the benefit of those who have little time to spare, or who lack the necessary knowledge, or who spend part of their time abroad.

h) Information Services:

The bank also provides information which makes it easy for commerce to take place. Such services include status reports issued in respect of customers and information on foreign economies and markets.

3.5 Habib Nigeria Bank Limited:

Habib Nigeria Bank was incorporated in 1982, and it started operation in May, 1983. The bank is a joint venture between Nigerian Citizens and Foreign concern (Pakistanis) at the ratio of 60% and 40% respectively in accordance with the Nigeria Enterprises promotion Decree of 1973.

Habib Nigeria Bank presently has 31 branches but many more are coming in the near future. Its objectives is to profitably serve the society through its activities by providing efficient and effective services unparalelled by its competitors. It promote standard in conduct of business, enhance moral and spiritual values, justice and fairplay in all its undertakings to the satisfaction of the customer towards achieving its goal.

The bank currently provides certain services it broadly categorised into four:

i. Overdrafts (OD)
ii. Cash Credits (CC)
iii. Loans
iv. Inland Bills purchased and Discounted (IBP)

The above heads are sub-divided into the following sub-heads:

i) Clean Overdraft (COD):

Where an overdraft is allowed only against a Demand Promissory Note and a Letter of Agreement signed by the account holder it is called a Clean Overdraft. The benefit of the overdraft facility to the customer vis-a-vis other facilities is that he does not pay interest for days during which there is

a credit balance in this account.

Secured Overdraft (SOD):

This is an overdrafts for longer periods. Normally granted against the security of tangible assets.

Temporary Overdrafts (TOD):

Customers who maintain satisfactorily conducted accounts may be accommodated at their specific request to over draw their balance in Current Accounts to meet unexpected and urgent requirements of funds. The amount upto which over drawing is permitted is dependent on the need of the customer, the previous conduct of his account with the Bank and turnover in the account, coverage balance maintained etc.

ii) Cash Credit Pledge (CC Pledge):

An advance under this head is granted for financing inventory by pledge of goods with the Bank. The goods against which the facility is granted are either taken in the direct control of the Bank or of an agent appointed by the Bank for this purpose.

b. Cash Credit Hypothecation (CC Hypothecation):

Advance under this head is also allowed to finance inventory. The goods under the Hypothecation charge remain in the possession of the borrower and periodic stock reports are obtained from the borrower to determine the extent of drawing under the cash credit limit. Bank's charge over the goods Hypothecated is created by a legal document called letter of Hypothecation.

iii) Clean Loan (CL):

Clean loan is a credit facility under which a fixed amount is lent to the customer without taking any security and he pays interest from the first day of drawing on the amount of loan till its repayment.

b. FEM Loan:

Loans granted for purchase of Foreign Currencies under the Foreign Exchange Market (FEM) are termed FEM Loans. It is a self liquidating facility which is fully adjusted on receipt of shipping documents within a maximum period of 90 days.

iv) Clean Inland Bills Purchased:

Outstation cheques, drafts and other Negotiable instruments in the name of the customers are sometimes purchased and their accounts are credited with full or partial value of the instruments pending their realisation.

b. Documentary Inland Bills Purchased:

Bills of Exchange accompanied by documents evidencing title of goods like Bill of Lading, Railway Receipt, Airway Bills, Transport Receipt are also sometimes purchased for customers and customers' accounts are credited pending their realisation from the drawees ofthe bills. Bank obtains a hypothecation charge on the goods covered by these documents.

The bank has strategically though broadly segmented its market as namely individual single and or joint proprietors, partnerships, limited liability companies, Executors, Administrators, Liquidators and Trustees to mention but a few.

3.6 Summary of the Chapter:

It can be, briefly stated here that the two main functions of the financial institutions, (to which banks are said to be the bedrock) in any national economy are two viz: Intermediation and allocation of scarce financial resources. Thus banks in particular acts as the intermediary between, on one hand, large number of depositors, savers, and lenders and, on the other hand, borrowers; and between people or enterprises with surplus liquidity and or enterprises in need of capital for investment.

Competition for the scarce funds will continue to be intense thus forcing banks to be more dynamic in the development, marketing and management of financial products and services. Certainly, with the continued deregulation of the economy, banking industry cannot afford to be contended with their traditional products or marketing programmes. Nor would they be in position to effectively and efficiently satisfy their actual and potential customers. Consequently, as evident by the foregone analysis, the four selected banks are making effort to shade off old service and out dated marketing programmes, while at the sametime developing new ones or increasing the volume of present service lines or expanding the lines and encouraging more usage of existing services among existing customers. This is done in a way that openly admits the relevance of marketing in the successful operations of their businesses.

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CHAPTER 4

GENERAL DISCUSSION

4.1 Appraisal of Marketing Effort in the Selected Banks

This chapter is specifically dedicated to the anaylsis of data collected for the purpose of this research study titled marketing in the banking industry. Questionnaire has bee administered on a number of banks located at both Zaria and Kaduna. But, special attention has been given to the Four Selected Banks viz: Con tinental Merchant Bank PLC., United Bank for Africa PLC., Savannah Bank Nigeria PLC., and Habib Nigeria Bank Limited. Thus, the questionnaire and personal interview I conducted were skewed towards getting information that revealed the efforts of the selected banks in designing and marketing their services.

To this extent, and in line with the methodology adopted I present below a general discussions on the data collected from each of the selected banks on how they design and market their services to their customers. I shall attempt to compare and contrast their efforts against the conceptual framework presented in chapter two and three. Consequently, determine the extent to which banks have or have not yielded to marketing principles.

4.2 Con tinental Merchant Bank Nigeria (CMB) PLC

The Bank is seen to have excelled in providing efficient and innovative services to the satisfaction of its customers, some of whom I personally interviewed. In fact, the bank's marketing effort is commendable in the sense that most of

the new products that are being introduced into the merchant banking institution's market were first introduced by CMB.

The bank strategically segment its market and design products that matched the needs of their market profitably. Thus, most of its products other than the conventional services have a clearly defined target market. CMB has staff engaged in full-time marketing research, public relations and sales training. Similarly, there are some staff assigned on parttime bases, the responsibilities of Advertising, promotion and new product or service development. However, the increasing competitions in the industry has since made these categories of staff more functional than ever before. Additionally, personal selling activities by the entire staff of the bank has become a routine.

But, a significant ingredients for a successful Bank marketing seems to be missing in the organisation. Thus, marketing activities are still shared by a number of different division and departments, promotional activities are still done either without professional hands or occassionally thereby leaving the company's image at stake.

4.3 United Bank for Africa (UBA) PLC

This bank is also carrying a distinction in its operations among the commercial banks in Nigeria particularly in providing innovative products to its customers. Thus it has to its credits the introduction of UBACARD cheque a facility that is cashable at any UBA branch throughout Nigeria.

Consequently, there is no gain saying thast the bank is fairing well among its competitors. Hence, that enable her to provide a separate product for a profitably identified target market. UBA generates its new services ideas from both customers, staff, competitive banks and foreign affiliates and most importantly through intensive marketing research.

The bank is one of the Nigeria's 'top three' banks. This means it has build a good image and strong reputation in the banking industry in the country.

Its promotional strategy ranges from sponsorship of Network Programmes, the advertisement specifically designed to promote certain product like the House Savings and loans scheme. It also povide place utility to its customers through its numerous branch offices throughout the nocks and corners of the country. Although the bank's marketing effort is commendable, it nevertheless understimated the importance of having a department solely dedicated for marketing. Also the staff of the bank lacks the attitudes of a marketing oriented personnel. Hence, they lack courtesy, friendliness and the warmth that is expected to be exhibited by bankers.

4.4 Savannah Bank Nigeria (SBN) PLC

As a philosophy borrowed from its mother bank (Bank of America) SBN percieves the function of bank as that of a "great public servant - an institution run in the interest and for the welfare of the people it serves".

This philosophy aptly summariese the meaning of marketing concept, viz customer orientation, customer-satisfaction and integrated marketing activities. Unlike other banks SBN has a marketing department which is responsible for product development and marketing. The staff of Savannah Bank are unique among others in the industry interms of courtesy, efficiency and friendliness. Similarly the bank's promotional strategies move beyond well designed internally decorated offices, to a professionally designed advertisement copy and sponsorship of some sporting activities.

The bank has since expanded its operational network to most parts of the country mobilizing savings and providing vital financial services to its numerous customers.

However, Savannah Bank is yet to take any serious step specifically designed to contain the present competitive pressures. For instance, the bank until recently has not embrace or join in the computerisation of banking activities. This means that the time utility being enjoyed by other bank's customers could not be provided to its customers.

4.5 Habib Nigeria Bank Limited

Although the bank is new compared to the other selected banks, it has been able to achieve alot particularly in the area of marketing. It has been profitably serving the society through its activities by providing efficient and effective services unparalelled by its competitors.

It promote standard in the conduct of business to the satisfaction of the customers.

Habib Nigeria Bank Limited is known to have excelled in providing qualitative service in the banking industry. Thus, it has the technical expertise and the human relations. The Bank is also one of the few in the industry that offer cash credit hypothecation. However, this research have noted that most of the services it offers are the traditional products. Perhaps this might not be unconnected with lacks of cl arly defined marketing objectives in the bank and a well articulated marketing programme.

In fact, marketing functions are carried in the Treasury and marketing department, credits or corporate services division.

4.6. Summary of the Chapter

Table One:

SUMMARY OF QUESTIONNAIRES ADMINISTERED ON TWENTY COMMERCIAL AND THREE MERCHANT BANKS AROUND ZARIA AND KADUNA.

S/NO.	DESCRIPTION	Options No in questionnaire.	Options Rated High.	Rates 100%	Cummulative Rate of other Options.	Total= %
1.	Meaning of Marketing	1	a	80	20	100
2	Marketing functions	2	b	60	40	100
3.	Marketing activities in Banks	5	c	60	40	100
4.	New Service Ideas Vs. Banks	6	e	60	40	100
5.	Determinants of Prices	8	f	40	60	100
6.	Bank's Pricing Objectives	9	a	70	30	100
7.	Personal Selling Activity	11	a	90	10	100
8.	Marketing Research Activity	15	a	70	30	100
9.	Deregulations Vs. Banks	21	a	40	60	100
10.	Determinant of New Branch Location	23	d	60	40	100

NB: See Appendix 1. for the complete questionnaire administered.

As the study has shown in the 'Summary of Questionnaires administered 80% of the respondents seems to know and 60% appreciate the relevance of marketing functions. Similar percentage agreed that marketing should be a function in their banking activities.

Another, important thing noted is the unanimity (90%) of most bank's staff on the need for banks to approach prospective customers with the aim of selling services to them. Indeed, they pointed out that the market is so dynamic that banks no longer sit and wait for customers to come. In otherword, the days of arm-chair banking are over.

No wonder therefore, Continental Merchants Bank PLC has been introducing new financial products into the Merchant banking institution's market in particular and the Nigeria financial market in general. An important fact to stress about CMB, is it innovativeness not only of new products, but its creativity and flexibility and understanding in the implementation of marketing techniques and concepts. For example, the first financial product to be introduced by a merchant or even commercial bank in Nigeria was the Floating Rate Certificate of Deposit (FRCD) issued in 1982 by the Bank. This product at the time was to accommodate interest rate charges as well as ensure longer maturity of deposits.

Since, the introduction of SAP in 1986, the banking industry in Nigeria has witnessed a myriad of these products -UBACARD, House saving and loans scheme, personal accident protection plan,

and Abuja Residential Housing Loan by the United Bank for Africa; Under - 21 Saving Scheme and Savan-Export Finance Scheme by Savannah Bank Nigeria; and Habib Nigeria Bank Cash Credit Hypothecation and FEM loan Scheme to mention but a few.

Hence 40% of the respondents, believe that these was accentuated by the desire of the banks to survive the competition engendered by the process of deregulation.

It is noteworthy too, that the selected banks in particular have personnel either fully or on part time basis engaged on marketing research, advertising and promotion, public relations and new product or service development. Unfortunately, however, these marketing functions are handled by different departments or Division in each of the bank respectively.

Nevertheless, this is a significant development because it is a signal that banks have realised and are becoming more and more aware of the customer, his needs and most importantly his satisfaction. 70% of the responses received, affirmed the need for bank to conduct research into customer's needs and they described the activity as very important for the survival of their business.

However, it might sound audible that banks have accepted and are out to market their services using the marketing principlers, most of which have been highlighted in the literature review (Chapter 2). But, critical analysis of data presented in Chapter three, may show that these banks are still far from understanding, not even to talk of implementation, of real marketing and all that it entails.

For example, there is quite a great inbalance between new products designed with the aim of sourcing deposits from customers vis-a-vis products designed to give loans and advances to the said customers. Except perhaps for such CMB's financial Advisory service scheme, and Savannah Bank Nigeria information service all other services offered by the selected banks are skewed toward mobilizing deposits for these banks.

It also appear that most of the so-called new products are only the traditional services in different names thus hardly distinguished. In otherwords, whereas the banks are blind in mobilizing deposits, individuals and corporate bodies are stabed of much needed loans and advances from these banks for investments especially in this era of commercialization and privatization of public companies.

This approach to marketing and product packaging by the selected banks in particular and generally in the banking industry leaves much to be desired.

It is indeed, too lopsided. It has to be re-examined. It has to be re-appraised and enhanced. Although the main objective of banks is maximization of profit, banks must actually try to achieve this through the sell of financial products and services that possess strong servicing ethics.

In otherword, Banks must know that the adequate satisfaction of the needs of their customers guarantee not only profit growth but high reputation and enhance company image.

Therefore, banks must appreciate the necessity to a well planned and developed marketing programme; and a professionally

articulated marketing mix, that is, market - oriented products, pricing, promotion and place (distribution) of their services. These must be based on a clearly identified target markets and their needs.

Another short-fall of marketing effort of these selected banks is in the area of the distribution of marketing functions among different departments, instead of a full-fledged marketing department place strategically in their organisational chart. In otherword, although the history of the application of marketing strategies in the banking industry became popularised in the 1960s, to date, marketing has not enjoy its proper functional or hierachical position in most banks, particularly in Nigeria. Hence, as observed in all the selected banks, marketing department is either attached with treasury or credit. That is, to say Treasur/Marketing or Credit/Marketing as department respectively.

This is an inexplicable mistake. Because it means sharing out marketing function among several other departments or units. In fact, it would amount to counter production to give marketing functions to say a treasury department or give advertising responsibility to a fund sourcing department.

Indeed, as rightly put by an author, teacher, and an experienced management consultant Bernard Krief (1975) "poor structure is the cause of a depressing wastage of finance, talent and energy". Banks as profit-oriented organisations cannot afford to waste either.

Consequently, after this general discussion of the data collected solely for the purpose of this study, I will offer certain ideas (in chapter five) that may be useful to the banking industry generally and particularly the selected banks. This is significant in view of the impeccable importance of both marketing and its proper placement in the organisational structure of any bank that hope to prosper in this dynamic as well as stiffly competitive environment.

So, obviously, banks must embark on marketing research which will focus on both the problems - that might posed threats against a full fledged marketing approach to the banking business on one hand, and prospects on the other hand.

One best way of doing it will be by focusing the research on areas like say customer behaviour, attitudes, and perceptions, price/interest rate sensitivity, love for convinience, coulur display and other appeals that are likely to draw attention of the market.

In contrast, the research may focus strategies meant to change managers' thinking patterns from product-oriented management techniques into a service-oriented business by changing the language system in the company. Thus if managers talk about services instead of products, they also think about services and those characteristics that make services unique. Additionally, certainly, the importance of qualitative service in banking industry cannot be overemphasised.

The quality is found in two areas - technical expertise and the human attributes of the personnel.

Technical aspects include ability to meet customers needs and expectation timely. While human attributes consist of accessibility, timely response, and geniune concern for customers. Because customers want and value a standard package of consideration, in terms of convenience of time and place as well as access to their money, and that customers value products that are easy to differentiate and comprehend, and banks employees who are courteous, knowledgeable, and willing to demonstrate that they care about their needs and satisfactions.

Once banks ensure these, then the current price war or competition would ceased and so the Deposit Mobilizing Products and services are likely to atleast even out with commercial loan oriented services. Consequently, this will pave way for a more aggressive marketing in the banking industry and particular in the selected banks.

Finally, it is gratifying to note the rate at which marketing is being embraced in the Nigerian banking industry in particular and in the world over. Perhaps, the obvious reason is the environmental deregulation and competition. Whatever, may be the reason behind this, it must be a welcomed development.

Because, it has made these banks professed their support and evolve a more marketing-oriented business. It has increase and made banks to be more innovative and efficient in the services they render to their numerous customers.

But, most importantly, it led to the introduction of a number of new products and services; it signal the need to approach every aspect of banking in a more marketing way as against former emphasis on technical expertise; and it highlighted the need for a conscious plan to installed marketing concept in the thinking of management and staff alike. It also call for conscious marketing, designed to improve company image.

Lastly, it is important to note, that all these might not be realised unless marketing has been given its proper place in a functional and or hierarchical position of the bank's structure.

CHAPTER 5

SUMMARY, CONCLUSION, AND RECOMMENDATION

5.1 Summary

Banking Industry the world over is in difficulty due largely to the current world economic recession. Additionally, in Nigeria, the situation has been worsened by the deregulation policies of the present Military Administration. For instance, as a result of these policies, the country is witnessing the springing up of new generation banks. Consequently, both the old and the new want to survive, thus called for aggressive survival strategies.

Certainly, the market remains relatively stable but, the services and their providers have increase. Which called for a more competitive marketing oriented strategies. The purpose of this research has been put clearly as the identification of marketing function and practices in the banking industry. Four Banks have been selected and used as sample for constant reference in this research study. The chapter two of this research is devoted specifically to literature review. This is to enable us understand the various marketing techniques and tools available for possible implementation by bankers. It, therefore, highlighted basic marketing concepts, marketing strategies, segmentation and marketing research to mention but a few.

Chapter three is a prelude to chapter four. However, it delved into the history of marketing in the banking industry in general and the specific banks choosed for reference in this study.

Furthermore, the banking environment past and present was appraised. The danger of a poor organisational structure as the cause of a depressing wastage of finance, talent, and energy in most banks has been pointed out. The data analysis indicated that all the banks renders a wide range of traditional banking services and professed their support to marketing techniques and practices in their individual and collective banking activities.

However, without much difficulty the research revealed that alot of the much needed marketing skills has not been used in the banking business.

Consequently, some suggestions have been put forward for possible consideration by those banks. Hence marketing is a thing that banks can no longer do without.

5.2 Conclusion:

In concluding this study of marketing in the banking industry which is a case study of four selected banks in Nigeria, I find it pertinent to remark that despite the present depressed state of the Nigerian economy, the banking sector has witnessed remarkable activity. This hyperactivity has been hightened by the emergence of several new banks, and finance related service organisation resulting from the current deregulation of the economy.

This has necessarily created a very competitve environment to all concerned.

The survival strategy for most of them has focused on the need for a strong marketing orientation, that is build on a solid foundation of the marketing concept elaborated in the literature review in chapter two.

Certainly, to survive under this climate, bankers have had to sharpened their creative skills and be more forward looking in order to stay ahead. Marketing research, also discussed in chapter two, provide this competitive edge.

New financial products or services are thus being attractively packaged and dangled before the weary consumer daily, with so many "brands" craving the attention of customers (whose resources have been depleted by the recession) serious marketing strategies have to be put in place. This means bankers must choose a 'product' portfolio that offer the best combination interms of market growth rate/market share as designed by Boston Consulting Group.

Indeed, the banking industry had already grasped the gist of this marketing strategy. An so, daily we are urged to get the pick of the bunch through say UBA CARD cheque Guarantee scheme or SAVAN EXPORT FINANCE SCHEME, amongst others.

While I am not in a position to say how successful these products have been in the market place, I can at least share a few tips on how marketing management techniques and functions have been understood and or misunderstood by most bank operators. I can as well, give a hint on how marketing

can be used to ensure that new product development efforts remain on track, right from the drawing board (see my recommendations).

After all, most bankers believe they understand marketing. They believe the marketing-oriented approach to business is important. They have the impression that it is a thing every bank practice on daily basis. But then, a closer look at and in accordance with the methodology applied (that is questionnaire administration and personal interview) the application of actual marketing principles and functions in the banking industry particularly in Nigeria and especially in the selected banks have made a sharp disgusting revelation. Therefore, without missing word, I can say much is left to be desired on bank marketing in Nigeria.

Consequently, in the next section, which is also the final part of the research I will recommend some techniques that could be used to improve on marketing in the banking industry especially in Nigeria.

5.3 Recommendations:

1. As a pre-requisite for a successful bank marketing, the top management of banks must recognise the importance of marketing to their industry. They must integrate marketing and make it a foundamental principles as well as phylosophy that ought to guide banking activities.

2. Banks must set up full-fledged marketing department, as against the current tradition of attaching it to either treasury or credit department. A marketing manager (or any other designation that may be used) should be appointed to manned the post. The marketing department placed shoulder to shoulder with other functional departments. The functional marketing manager, attached to General Manager (or so). In this case the marketing manager acts as an adviser, direct research and keeps marketing functions under his control. But, the problem with this structure arises where the functional manager is very competent but have no power enabling him to pursue his recommendations to a conclusion. Or he is not competent enough and is at best turned to a mere marketing assistance or at worst a 'court jester'.

On the other hand, the marketing manager, may be in a hierarchical position. In this case, his role is to assume responsibility for the commercial development of the bank. He must embrace a profit out-look and forecast market trends for any possible change in customers habits, unfavourable attitudes, appearance of competitive companies or service products offers and the intermittent government legislations.

With this structure various sections will be under his control which will aid him in his functions.

a) Investigation of home and export markets;

b) Direct research and development of new financial service product;

c) Formulates strategies that poster good company image;

d) Formulates promotional ideas.

e) Prepares for diversifications.

I personally, recommend the marketing manager in a hierarchical position to be the most efficient formula. Because he is governed directly by the general management; would be responsible for the bank's profit by sales action which must be guaranteed by a well designed and articulated marketing plan.

In addition to these even though he report to his superior in the hierarchyregularly and in an institutionalised manner, he certainly is one of those maintaining most horizontal and functional relations, as everyone of the decision he takes will have consequences for all his colleagues. Afterall, it is his duty to circulate information about his department and its results. Moreso, everyone in the bank must have a marketing orientation. But, it should be understood that there is no typical structure which must be applied, rather I will suggest any combination which suits the individual banks. Hence, depending on the bank concern it may choose to organise its marketing department according to regions, products or markets.

For the sake of this study I recommend here a hypothetical market structure as in figure 3 that may be used by banks as a possible starting point.

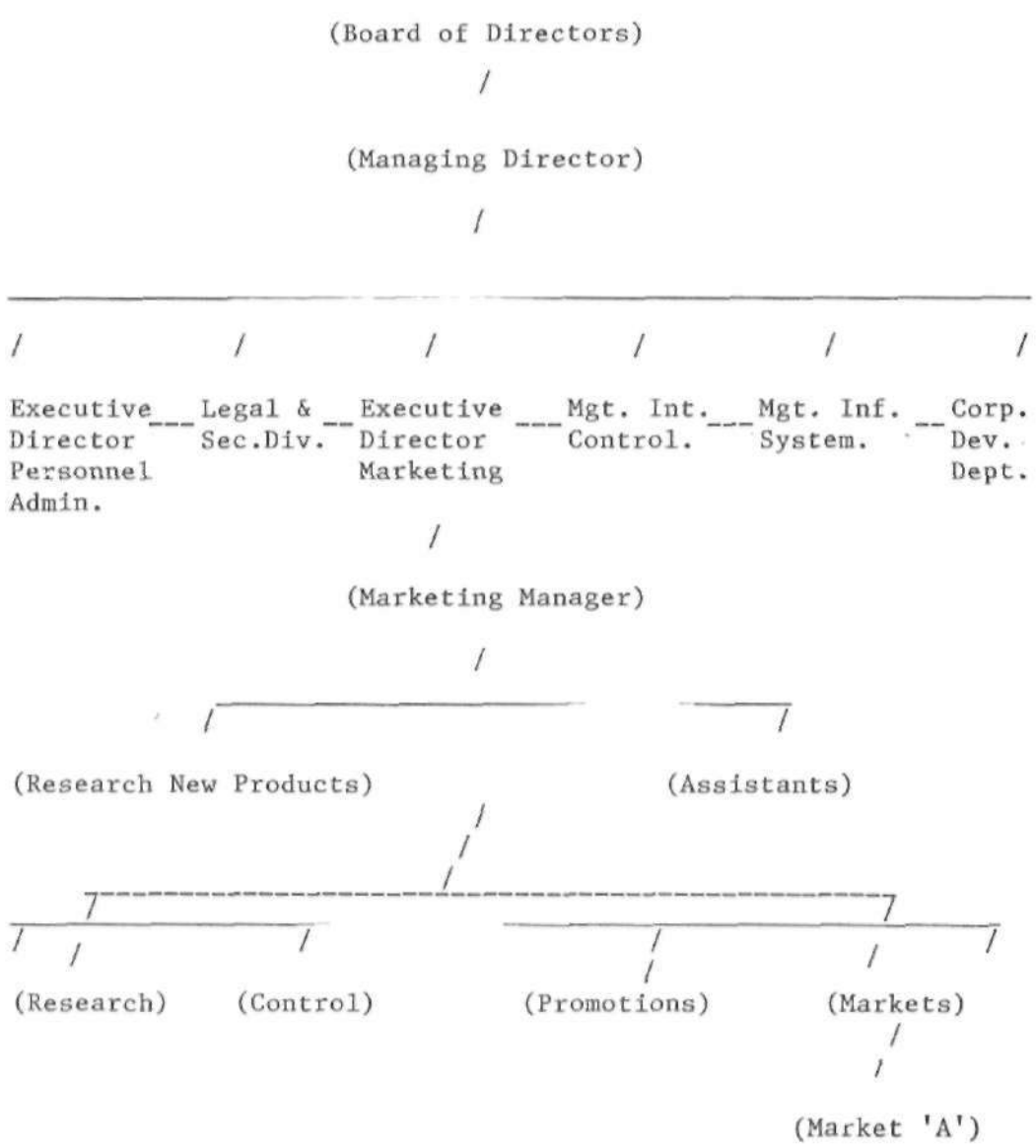


Fig. 3 Note in this figure, the Unbroken lines signify hierarchical relations and the broken lines show a functional relations.

3. Banks like other product oriented companies must evolve and use a model for new product development. Therefore, the process by which a new financial service products may be conceived articulated and made available in its market with the greatest chance of success by banks is as shown on figure 4 below:

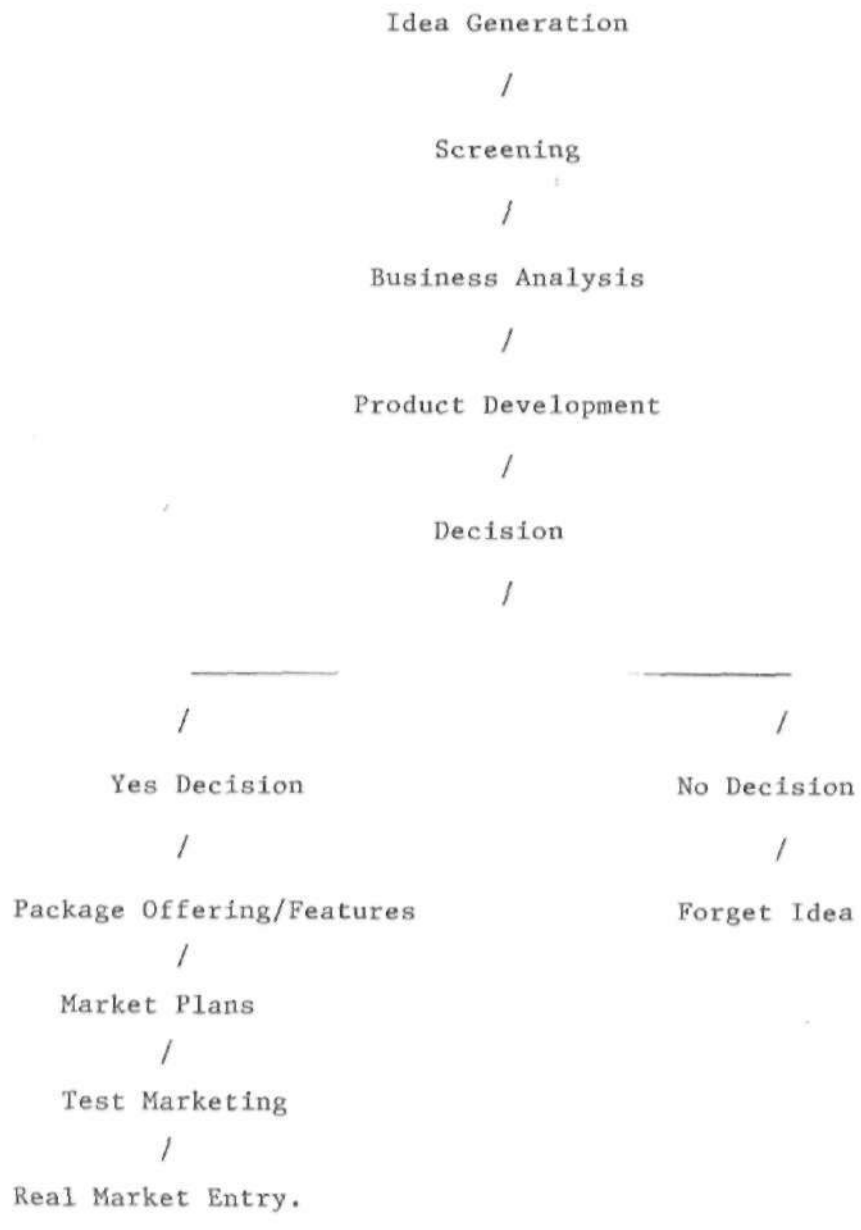


Fig. 4 The New Product (service) Development Process.

Ideas Generation: Every new product (service) begins life as an idea. New ideas come from either internal or external sources. Not all ideas are useful and good ideas are hard to come by, identify and select, and be sure about.

Screenindg:

This is a critical stage and activity in new product development because only good ideas should pass through if needlees expenditure of money, time and effort is to be avoided. But, a worse risk is screening out a good idea. However, to pass the screening test, a new product idea must stand up to some criteria which include sales volume, growth, and profitablility potentials and should have some technical consistency with existing services of the bank and the industry at large.

Business Analysis: This involves demand, cost and profitability analysis.

Product Development: Involves identifying unique features the new service will offer and how it may be marketed. The new product at this stage is no longer an idea, but real service that is ready for test and market entry.

Decision Yes/No: If test result are not satisfactory then of course a 'No' decision must be made and the new idea must be dropped. If test results are satisfactory, a 'Yes' decision may be made.

Packaging _Offering/Features: Banks must ensure that the market and customers both perceive and measure their enjoyment of the new products benefits and utility as they wanted them to, through packaging.

Marketing Plans: The plan must identify the life-cycle of the new product and fused product objectives with its distribution, promotion, and pricing to produce an articulated programme of marketing action that support it.

Test Marketing: The objective here is to test the new product and all the variables in its marketing plan before real market entry.

Real Market Entry: The new service is now in the market for real in the introduction stage of its life-cycle. The product may be introduced in its market stealthily, or with a subdued or big bang launch. For example, Nigerian banks may wish to test this product development process with an idea I consider not yet exploited by most if not all of them.

This idea is a possible 'product', similar to UBA CARD, which will allow for several withdrawals in a single day, up to a value limit.

4. The fourth important point I wish to recommend for banks is the formation of a good company image. Unlike manufacturers of tangible consumer goods, banks must pay special attention about their image. Because they are in direct touch with their eventual markets.

The characteristics the market wants to see in the banking industry it deals with include among other things financial soundness, Friendliness, Efficiency, Expertise, Clarity and Distinctiveness.

And so the formation or improvement of company image and invariably the cultivation of public esteem depend not only on advertisement and promotion, but to a large extent on such broad matters as staff recruitment, training, supervision and renumeration.

5. In their own sphere of serving commerce and the wealthy, merchant banks in particular, must be quite sophisticated in their marketing approach. This is necessary to enable them cover the needs of the industry for loans, stock market floatation or leasing and management of pension funds and investment portfolios. In fact, Merchant Banks had better realised this before competition among themselves, from commercial banks and overseas banks over powered them.

6. Banks must put up aggressive advertising and promotion strategies which will be able to not only hold existing customers or get more business from them but also obtain new customers.

7. Lastly, I would like to also recommend for the banks, the establishment of what I call 'MOBILE SALESMEN' who would be trained on how to sell banking services to i dividuals and organisations. This may go beyond urban areas but to rural areas on say market days, where most local wealthy chaps attend and display their mights.

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2.	Guardian Financial Weekly	" "
3.	Financial Post	" "

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   - i. Continental Merchant Bank PLC.
   - ii. United Bank for Africa PLC.
   - iii. Savannah Bank Nigeria PLC.
   - iv. Habib Nigeria Bank Limited.

APPENDIX I

Department of Business Administration,
Institute of Administration,
Ahmadu Bello University,
Kongo Campus,
P.M.B. 1013
ZARIA.

17th August, 1992.

To:.....

.....

.....

Dear Sir,

A SURVEY OF MARKETING PRACTICES IN THE BANKING SECTOR

I will be most grateful if you spare me your precious time to attempt to answer the attached questionaire on the above subject matter.

I am especially interested in your personal opinions on the proper definition and role of Marketing, as well as how Marketing is being practiced in your bank.

The study is being caried out in partial fulfilment of the requirements for the award of a Master of Business Administration (MBA) Degree. Therefore, the information herein given and the opinions expressed will be treated with utmost confidentiality and use purely for academic exercise.

Thank you for your cooperation.

Yours faithfully,

MUHAMMAD BELLO IBRAHIM.

NB: To ensure anonymity you are not required to sign your name on the questionnaire please.

157710

A SURVEY OF MARKETING PRACTICES IN THE BANKING SECTOR

(Pleasel tick as appropriate in the box)

1.7 In your bank "marketing" means:

a) Market research ( )

b) Public Relations ( )

c) Business activities that are directed toward satisfying the service needs of customers. ( )

d) Selling ( )

e) No idea ( )

2. In your organisation, marketing functions are:

a) Understood but not implemented ( )

b) Understood and implemented ( )

c) Not understood at all ( )

d) Operated haphazardly ( )

3. Do you have personnel engaged full-time or part-time in the following functions:

	FULL-TIME	PART-TIME	UNDER CONSIDERATION	
a)	( )	( )	( )	Marketing Research
b)	( )	( )	( )	Advertising & Promotion
c)	( )	( )	( )	Public Relations
d)	( )	( )	( )	Sales Training
e)	( )	( )	( )	New "Product" or Service Development.
f)	( )	( )	( )	Branch Location Studies.

4. Some (or all) of the above functions in your Bank are grouped into one department or division called:

a) Public relations and Advertising ( )

b) Corporate affairs ( )

c) Service Development ( )

d) Marketing ( )

e) Other Designation (please specify)

.....

.....

f) If

f) If your set-up is different states (briefly)

.....

.....

5. In view of some **marketing functions listed in question 3,** marketing activities in **your bank:**

a) Must be enhanced ( )

b) Will be of interest but not essential ( )

c) Should be a major function in the bank ( )

d) Only advertising and promotion is important ( )

e) Others (please specify) ( )

.....

.....

6. Does your bank generates its new service ideas from:

a) Customers only ( )

b) Staff only ( )

c) Foreign affliates ( )

d) Competitive banks ( )

e) All of the above ( )

f) Others (Please specify):

.....

.....

7. Do different customers pay different prices" (Interest charges, premiums, commissions) for the services rendered?

a) Yes ( )

b) No ( )

8. What determines the "Price" to be charged for the different services rendered by your bank?

a) Competition ( )

b) Government ( )

c) Cost of Producing the services ( )

d) Customer ( )

e) Other regulatory body or agencies ( )

f) All of the above ( )

9. What is your Bank's pricing objectives?

a) Profit Maximisation ( )

b) Cost reduction and satisfactory profit ( )

c) Maximization of customer volume ( )

d) Status-quo and image enhancement ( )

10. How does your bank normally tackle price sensitive customers?

Please states briefly:.....

.....

.....

11. Do you think banks should approach prospective customers with the aim of selling services to them?

a) Yes ( )

b) No ( )

12. If yes, where does your organisation carry out this "personal selling" function?

a) Within the bank's premises ( )

b) In the prospective customers' home ( )

c) In the prospective customer's business premises. ( )

d) During a special ceremonies ( )

e) Others (Please specify):.....

.....

.....

13. What is the required qualification for staff engaged in personal selling in your bank?

a) Years of experience on the job ( )

b) University degree ( )

c) Diploma and other school certificate ( )

d) others (Please specify):.....

.....

.....

14. What other method does your bank use in sourcing out customers? Please states briefly:

.....

.....

15. Does your bank conduct research into customer's needs?

a) Yes ( )

b) No ( )

16. If yes, who perform this activity?

a) Outside consultants ( )

b) Joint activity between consultants and the company. ( )

c) Marketing department of the bank ( )

d) Others (Please specify):.....

.....

17. If no, are you considering conducting on in the near future?

a) Yes ( )

b) No ( )

18. Do you normally collect information from your customers?

a) Yes ( )

b) No ( )

19. If yes, how do you collect the information?

a) By administering questionnaires on them ( )

b) Through suggestion boxes ( )

c) By visiting some of the customers ( )

d) All of the above ( )

e) *Others (Please specidy)*:.....

.....

20. To what extent is the above activity important to your bank?

a) Very important ( )

b) Important ( )

c) Not important at all ( )

d) Indifferent ( )

21. What is the impact of the "Deregulation" on Your Bank's marketing activities?

a) Increase the number of competitors ( )

b) Increase the cost of promotions and public relations ( )

c) Reduce business activities ( )

d) Increase business activities ( )

e) Others (Please specify):.....

.....

.....

22. When was your bank incorporated in Nigeria? Please state briefly as follows:

a) Date.....

b) Head Office Location:.....

c) Number of other branches throughout the country:.....

23. What factors determine the location of a new branch office in your bank?

a) Central Bank of Nigeria ( )

b) Competition ( )

c) Management ( )

d) Commercial activities of an area ( )

e) Others (Please specify):.....

.....

24. How does the structure of the bank look like?

Please described briefly:.....

.....

25. Does the bank has a marketing department?

a) Yes ( )

b) No ( )

26. If yes, how does its structure look like?

a) Please describe briefly:.....

b) A copy is available for photocopy ( )

27. If no, how does the structure of the department that performs the marketing functions looks like?

a) Please describe briefly:.....

b) A copy is available for photocopy ( )

28. Any other comments:.....

.....

.....

.....

.....