DEVELOPING AND MARKETING COMMERCIAL BANKS SERVICES IN NIGERIA:

A CASE STUDY OF SELECTED BANKS

BY

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DECLARATION

I hereby declare that this project has been written by me, and it is a record of my own research work. It has not been previously presented in any form for a high degree.

DIGITIZED

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CERTIFICATION

This dissertation entitled: "***Development and Marketing Commercial Bank Product /Services in Nigeria:* A Case Study of Selected Banks"** by Odedele Iyabo Olaotun, meets the requirement governing the award of Master Degree in Business Administration and is approved for its contribution to Knowledge and Literary Presentation.

Supervisor	**Date**
Head of Department	**Date**
External Examiner	**Date**
Dean of Postgraduate School	Date

DEDICATION

This project is dedicated to my late father, Mr. M.O. Odedele and mother C.O. Odedele for their love and care towards my success in life.

ACKNOWLEDGEMENT

My gratitude goes to the Almighty God who gave me the strength and all that was necessary to conquer all the challenges for the attainment of my goal.

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ABSTRACT

As the world is at the verge of entering the 21 st Century, there are changes towards every phase of our society. The computer age has replaced many manual approaches to work and technology.

In the banking industry too this change is glaring. Traditionally banking operations were regarded as a business in which marketing had little or no role to play. However, with serious competition, the attitude began to change as bankers realized that marketing had a role to play in any modern organization.

This study is undertaken to examine the developing and marketing of commercial bank product/ services in Nigeria, and the extent to which marketing can improve the efficiency of banking services in Nigeria.

Two set of Questionnaire, were administered on customers and management staff of the two selected banks.

The researchers findings reveal that marketing of services is relevant to the banking industry as

it is to other service organization. The research further revealed that majority of customers are aware of the wide range of services produced by commercial banks, but they are not satisfied with the present banking operation in Nigeria.

It is suggested that banks should involve their customers into decision making as well as establishing formal marketing departments to take care of this customers needs.

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CHAPTER ONE

INTRODUCTION

1.1 INTRODUCTION.

Marketing is becoming increasingly necessarily in today's competitive banking environment. The traditional role of bankers of just being collectors of deposits is just changing to that of Services-Oriented or Customers oriented. The idea that a bank should sit on the corner passively waiting for customers has gradually been replaced by the aggressive search for deposits.

The role of marketing in a banking industry is synonymous with marketing in other service industries, but marketing in banking sector is predominantly centered around the provision of diverse financial services to customers.

The present economics climate in our country poses serious challenges to the baking industry, ranging from effective and prudent management of resources to the quality of services rendered, and their accruing mutual satisfaction to both banks and customers.

The adequate tools for facing this challenges is the development and marketing of commercial

bank services. The Scenario calls for an aggressive rejuvenation of marketing strategies to be able to contain competition in the banking industry. Because of the intense competition, marketing has become commercial banking cutting edge for meeting new forms of competition and for searching out new opportunities. In other words, it calls for the adoption of a marketing orientation and the application of the tools of marketing to banking business to ensure survival and growth.

1.2 STATEMENT OF THE PROBLEM.

The major aims of any business organization is to make profit so as to survive in business (banks inclusive). However, it has been observed that bank services are not necessarily provided to suit the needs of customers but rather pushed on them with the hope of making profit.

The growing competition from older banks and the birth of dynamic ones calls for a serious reorganization and introduction of new marketing and effective tools for staying afloat in the financial industry.

The negligent and no-chalant attitude of bank staff towards customers is another problem that has spurred this research work.

The poor facilities provided by banks and the high amount for opening accounts have scared customers away including high interest rates charged on loans.

The similarity in the provision of services by commercial banks has made customers to be at cross-road as to which bank to patronize.

1.3 OBJECTIVES OF THE STUDY

The Objectives of this study, is to examine critically the development and marketing of commercial banks product/services in Nigeria.

To determine the extent to which commercial banks develop and market their services. To determines the problem involved in the marketing of bank services and the level of customer recognition by bank staff. To prefer relevant recommendations as solution to the problem.

1.4 SIGNIFICANCE OF THE STUDY.

The research study of developing and marketing commercial banks services in Nigeria at this time the economy is having a thorough reorganization is very important, considering especially the recent 'distress' experienced by the bank.

To the individual, it will help him to regain confidence in the banking system in Nigeria.

To the banks it will help them to actually see themselves as custodians of others peoples assets (money) in a way that it can also gain.

To government it will help in its process of policy formulation and to the society, it will help to build - up the economy for the general good.

1.5 RESEARCH HYPOTHESIS.

"A Statistical hypothesis is usually a statement about one or more population distribution and specifically about one or more parameters of such population" (Hays 1973)[1]

According to Osuala (1987)[2] "A hypothesis is a conjectural statement of the relationship between two or more variables.

In appraisal of the above, we have the Null hypothesis which is denoted by Ho; and the alternative hypothesis H1 , this hypothesis negates the Null hypothesis(Ho) and can be accepted when Ho is rejected.

The following hypothesis, therefore, will be tested in the course of this study;

1. That marketing is relevant to banking operations.
2. That customers have difficulty in getting bank services
3. That customers complaints are attended to by bank staff.

The first hypothesis is aimed at determining if actually marketing has any relevance to the operations of banking business. Question 5 from Questionnaire A (for staff) will be used to test the hypothesis seek to observe whether it will be accepted or rejected.

The second hypothesis seeks to observe whether customers have ease in getting service from commercial bank. The response to question 5 of questionnaire B(for Customers) will be used to test the hypothesis to known its acceptability or otherwise.

The third hypothesis is to enquire to what extent complaints of customers are attended to by bank staff.

For the proof of the hypothesis, question 12 of questionnaire B (for customers) will be used to access its acceptability or rejection.

1.6 SCOPE OF RESEARCH

The resaerch has been set out to cover marketing services of two commercial bank in Nigeria only. These are:

1. First Bank Plc and
2. U.B.A Plc; the entire work relates particularly to this two banks, therefore, any conclusions or generalizations reached are applicable to the two banks. However, considering certain large inferences drawn out of the study, the project can be of significance to othe commercial banks in Nigeria and beyond.

In addition, the study covers the area of banking services, the characteristics and service industry and its role in the banking industry.

It further restrict itself to knowing the problems encountered by customers of commercial banks and attitude of bank staff towards their customers.

1.7 RESAERCH METHODOLOGY.

Applied Research attempt to use existing knowledge as an aid to the solution of some given problem or set of problems.

The quetionnaire and the interview methods were also adopted in specific cases and the methods of data collection includes both the primary and secondary sources of data collection.

Two set of questionnaires were adminuistered. Questionnaire I was administered on the management staff of the selected commercial banks;while questionnaires II was largely centred on customers of the two selected banks.

In regards to the second sources, the research united libraries and consulted relevant textbooks and publications on the subject matter.

1.8 LIMITATIONS OF THE STUDY.

Every research words, especially of this nature have their limitations. The most prominent was the lack of relevant materials and publications relating particularly to banking in Nigeria. As Hauron 1979[3] testified "It is indeed, a pity that so far no major work on the subject of bank marketing in the United Kingdom has been published.

Another constraint with the lack of willingness on the part of the management of these banks to give some vitel information which they said could not be released for the interest of banks operations, despite the pledge for confidential treatment of any information given.

The sample size was another major limitation. The sample size of the two commercial banks was not based on any statistical calculations. This therefore brings to question as to whether the size accurately represents the total population.

Again, customers responses sampled in this study can not be used for any serious generalization of customers perception of banking services.

All the same, within these constraints, much was done and it is hoped that the recommendations stimulating commercial banks, to be alert to their duties.

1.9 DEFININTION OF TERMS.

MARKET:

(i) It is a physcial place where buyers and sellers gather to exchange goods and services.

(ii) A Market is the set of all actual and potential buyers of a product.

MARKETING:

Is human activity directed at satisfying needs and wants through exchange processes.

MARKETING CONCEPT:

Is a management philosophy which maintains that the focal point of the entire firm is the consumer.

MARKETING MIX:

Is the blending together of controllable marketing variables that the firm uses to achieve target ojectives and these are product, price, place and promotion (4ps)

PRODUCT/SERVICE:

Is anything that can be offered to a market for acquisition, use or consumption to satisfy a need.

PROMOTION:

This is communication that inform potential consumers of the existence of products and persuade them that those product have need satisfying capabilities.

END NOTES

1. Hays, W.H (1973); Statistics for social science, Holt Rine Hart and Winston Inc.pp 335

2. Osuala, E.C (1987); Introduction to Research methodology, Africana Feb. Publishing ltd. Pp 46.

3. Hanson, D.G (1979) Service Banking; the institute of Bankers, London p.281.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

The role of marketing in a banking industry is synonymous with marketing in other service industries, but marketing in the banking sector is predominantly centred around the provision of diverse financial services to customers.

Today, the present state of Nigeria economy and as it affects the financial sector in particular has led banks to take marketing as a serious activity which has hitherto been neglected. In addition, the present economy scenario has made most banks to rejuvenate their marketing strategies towards aggressive bank marketing. Thus commenting on the marketing of banking services Derek (1986)[1] states, "*as majority of banks operate within a competitive environment, with the* increasing recognition that successful business needs not only the careful analysis of a market and its customers but also a detailed analysis of major competitors".

This development can also be attributed to the growing sophistication of the Nigerian economy and introduction of Structural Adjustment Programme in 1986 by president Ibrahim Babangida Military regime. Also, the increasing monetisation and cash consciousness of the economy as a

result of some policy instrument of structural Adjustment Programme (SAP). Such as deregulated interest rate, flexible exchange rate and trade liberalisation to mention a few. This created keen competition among banks and other financial institutions for better customerised services. The result of this act-throat competition in the banking system necessitated the application of intelligent marketing strategies, thus commercial banking's cutting edge for meeting new forms of competition to ensure their share of patronage and searching out new opportunities was through effective marketing.[2]

This aggressive marketing by commercial banks, also has factors which are not far-fetched. It could be deducted from the dictates of the economy which has been undergoing serious structural reforms; from the military government imposed Structural Adjustment Programme (SAP). The most recent was the government's directive to all Federal and State Ministries, Departments and Parastatals (including the insurance and non-insurance companies) , and the Nigerian National Petroleum Corporation (NNPC) to transfer their deposit accounts with commercial and merchant Banks to the Central Bank of Nigeria (CBN)

In the past manufacturing organizations have been predominant in putting large advertisements for the marketing of their products. The banking industry today has gone into similar commercial advertisements with a view of enhancing their services. For example, United Bank for Africa

(UBA) sponsors the particular television drama serial "Mind bending", Savannah Bank sponsors the "News line" every Sunday on NTA[3].

The present economic climate in our country poses serious challenges to the banking industry, ranging from effective and prudent management of resources to the quality of services rendered and their occurring mutual satisfaction to both banks and customer[4]. In other words, it calls for the adoption of a marketing orientation and the application of the tools of marketing to banking business to ensure survival and growth[5].

2.2 HISTORICAL DEVELOPMENT OF COMMERCIAL BANKING IN NIGERIA.

The origin of commercial banking in Nigeria dates back to the end of the 19th century, when coins came to be used as a medium of exchange in the country. Before this development trade by barter was the order of the day. Following the era of trade by barter closely was the use of commodity currencies, such as rum, gin, cotton as a medium of exchange (Okigbo, 1981)[6]. The coins in use after the demise of the commodity currencies include Spanish doubloon, American half eagle and double eagle, French Napoleon, Portuguese manilas, and the cowry shell (Okigbo, 1981)[7].

The first bank to open a branch in Nigeria was African Banking Corporation of South Africa in

August 1891 with Mr. George William Neville as branch managers. The branch was taken over by Elder Dempster and Company in 1893 and was incorporated as a joint stock company in March, 1894 under the name of Bank of British West Africa (BBWA).

In 1894, the Bank of British West Africa (BBWA) was registered in London with a nominal capital of £100,000 and took over the Lagos banking business of the African Banking Corporation[8].

In 1957 the bank dropped the word "British" from its name to become bank of West Africa in solidarity with the changing political scene in the sub-continent. The activities of the transactional corporations; the financial transactions of the colonial government ; the decline of the barter system and the increasing acceptance of British currency predicted the need for more financial institutions in the form of commercial banks[9]. Five years after the establishment of BBWA, paiges trading in Eastern Nigeria under the leadership of royal Niger Company (Now VAC) established the bank of Nigeria. This bank competed with BBWA but was finally absorbed in 1912; (Eyo, 1979)[10]. Anglo-African Bank was the next commercial bank to be established. The bank started banking business in 1901 in old Calabar but after a few years of banking operations; it went into liquidation (EYO)[11].

The complete banking monopoly of BBWA (Late Standard bank and now First bank) come to an end in 1917 when the colonial Bank established a branch in Nigeria. The colonial bank later became known as the Barclays Bank. Other foreign commercial banks joined the two expatriate banks. There are international Banks for West Africa, Bank of India (Allied Bank), Bank for America (Savannah Bank), Chase Manhattan Bank etc. Before indigenisation programmes, each of these banks was a subsidiary of multi-national banking firm with headquarters in New York, London and Paris (Okigbo, 1981)[12].

The commercial banking sector of the Banking industry in Nigeria has passed through various stages since 1891 and these are:

- The free Banking Era (1891 - 1952)
- The Pre-Central Banking Era (1953 - 1958)
- The Banking legislation Era (1959 - 1970)
- The Indigenisation Era (1971 - 1976)
- The Post Okigbo Era (1977 - 1985), and
- The Structural Adjustment Programme Era (1986 - 1992)
- The period between 1928 and 1959, the year when the first Banking Ordinance in Nigeria came into being a host of indigenous banks were established, numbering about 18. Of all these, only

the National Bank of Nigeria (1933), Agbomagbe, now Wema Bank (1954), and African Continental Bank (1947) survived. The rest had gone into liquidation resulting in loss of funds by the depositors and crisis of confidence set into the banking system.

Because of the failures of these and many other banks in the fourties, the then colonial administration invited G.D. Paton, an official of the Bank of England to enquire into the Banking in Nigeria and determine the cause(s) of the bank failure. Paton studied the problem and recommended the introduction of bank legislation to generally regulate banks and protect depositors. This led to the first banking legislation in Nigeria known as the 1952 Bank Ordinance. The requirements and controls proposed by the report included recommendation for a grace period of 3 years to allow the banks sufficient time to meet the regulatory requirements (Ogwuma, 1981)[13] .

The government also made concerted efforts to harness the activities of the banks for national development through the issue and regulation of currency, credit and foreign exchange control, and the supervision of the financial system. These functions were the prerogatives of the Central Bank of Nigeria which was established in 1959, following the promulgation in 1959 of new Banking ordinance. Indeed, 1959 can be registered as a watershed in the annuals of Nigeria banking industry. Not only was the Central bank of Nigeria established that year, but also, the

foundations of the Nigerian money and capital markets were laid, for example, in 1959, Treasure Bill Ordinance was promulgated (Coker)[14]

The Bar back committee submitted its report which led to establishment of Lagos Stock Exchange, Investment Company of Nigeria which was later reconstituted to Nigerian Industrial and Development Bank and other four commercial banks including the bank of the North were established (Nwankwo, 1987)[15].

With the banking ordinance of 1952 and 1958 and amendments there to 1961 and 1964 picking the observed loopholes and deficiencies and eventual banking decree of 1969, Nigerian banking was poised for a structural take-off in the 1970's. The first decisive step was taken in 1976 when the Federal Government acquired an additional 20 percent in other bigger foreign banks and 60 percent in other foreign banks to bring indigenous ownership in these banks to 60 percent. It was during this period also that some state governments established their own state banks. (Nwankwo, 1988)[16].

The Nigerian financial system has grown phenomenally in size since 1960 and so is the number and variety of institutions therein. From a total of 15 banks with 192 branches in 1960, the banking industry has grown to 129 banks as at June 1993 with a total network of about 2107

branches nation wide (Offoaro, 1993)[17].

As at June 1993 there were 67 commercial banks with 2,023 branches. Even more impressive has been the growth of rural banking system in Nigeria through the introduction of peoples Bank and Community Banking Scheme with the aim of boosting the rural banking system in the country.

The peoples' Bank of Nigeria which was introduced in 1989 by Babangida military regime stands out clearly as one of the banks with the largest branch network of more than 200. According to the National board for Community Banks records the total number of community banks in the country are more than 200 as at June 1993 (Offoaro, 1993)[18].

More so, is the galloping growth of Merchant banks and finance houses in the country as form 1987 to 1993. As at June 1993 the number of merchant banks were 55 of which all their head offices are located in Lagos. Also there are about six development Banks in the country as at June, 1993.[19]

2.3 GOVERNMENT INFLUENCE ON THE GROWTH OF COMMERCIAL BANKS IN NIGERIA.

Government has had a pervasive influence in the growth of commercial banking in Nigeria. The companies Act of 1960 strengthened government control over the activities of banks and made it mandatory for all companies operating in Nigeria to corporate locally under Nigerian company law. All foreign controlled banks were by this obliged to register as Nigerian companies. Through the bank act of 1969, and sub-sequent amendment, government further tightened its control over banks, as the act required them to render certain periodic reports to the central bank. That same year, the central bank of Nigeria issued the first of what has since become annual monetary policies circulars.

The monetary policy circulars are regulatory, and penalties are prescribed for infringements. The circulars involve the imposition of quantitative ceilings on the overall growth of sectoral distribution of banking system credits, prescriptions of viable reserve requirements and direct regulations of interest rates on deposits and lending[20].

Monetary management in the more developed economies employ less direct techniques such as open market operation, variable re-discount rates of interests and suasion, which through effective might not have such automatic impact on the economy as the direct intervention

approach[21].

In 1973, the Federal Government acquired 40 percent of the equity of each of the three biggest expatriate banks in Nigeria, thereby, ensuring more involvement in the policy making process of these banks, by the appointment of their chairman and of their directors.

The banks affected were Barclays bank (now Union Bank), Standard Bank (now First Bank), and United Bank for Africa. 1976, the government took further in the indigenous policy by raising the indigenous equity participant in all banks to 60 percent, vertina control in Nigerians.

By 1968, the Central Bank of Nigeria had successful introduced three financial instruments to mobilize the financial resources of the country for the government. These include Development Stock (1958), Treasury Bill (1960) and Treasury Certificate (1968). Other instruments introduced over the years include stabilization securities issued to banks, with a coupon slightly above savings deposits rates, in order to encourage them mobilize savings and bankers unit fund, which was designed to control money supply and thus inflation and to channel surplus funds of banks into eligible government stocks.

Another, instrument introduced in 1977 to strengthened the deposit base of the bank is the

negotiable certificate of deposits (NCD)

This instrument is issued by the individual bank, with the permission of the central bank, which acts as the negotiator of last resort.

The period from 1977 saw a more determined effort by the authorities to ensure strict observance of the credit guide lines by banks. In a bid to boost credit to the agricultural sector and building of other subsectors, for example, banks have been mandated to devote specific percentages of their advances to each of the two sectors. As a penalty for contravening this regulation, any short-falls beginning from 1978/1979 was required to be deposited with central bank. Such deposits would not count as part of the specified liquid assets, of the banks and would be interest free. During 1977/78, the government also made it obligatory for banks to devote a minimum of 50 percent of their advances to indigenous borrowers. This level was increased in 1977 to 70 percent in 1979 of which 10 percent was expected to be channelled to the small scale enterprise whose annual turnover does exceed ₦500.00.

As a result of government strong desire to monetise the economy, commercial banks were obliged to open some 200 branches in the rural areas within the first phase of the rural banking (Uzoaga 1981)[22]

2.4 OBJECTIVES OF COMMERCIAL BANKING

The Objectives of the commercial banking system in Nigeria as contained in the proposals of the financial system review committee of 1976[23], and accepted by the government are as follows:

1. The banks should actively facilitate the transformation in the rural environment by promoting the rapid expansion of banking habit in the rural and near rural commmunities. They will thus serve as paying and receiving stations for hand to hand currency and provide facilities for remittance to and from rural areas. They will provide savings deposits facilities for their customers and thereby help to mobilise rural savings. Most importantly of all, they will serve as vehicles for the creation of credit facilities in the area, this credit will take the form of equity and loans for small scale farmers and enterpreneurs.

2. While the banks in the past had concentrated on short-term lending although some of this loans frequently acquire the character of long term capital, they should increasingly undertake some medium and long term lending designed as such. The designation is important because it enables, the borrower to undertake the longterm investment planning for the application of proceeds of the loans.

3 They should conform to all national objectives and identify fully with Nigerians aspirations by taking a more active part in financing of the economic programmes of national priority.

4. Decision making in the main commercial banking sector must be localised. This would remove the possibility of our major banking institution being manipulated to the disadvantages of the Nigerian economy.

5. The commercial banks should use a significant part of their profits to improve the quality of the services they offer.

These five objectives constitute the main end towards which commercial banking operations and activities in Nigeria should meet. It can be seen from the proceeding discussion on government influence in the banking sector that government regulation and supervision of the banking system have been geared towards meeting these objectives. The rural banking scheme and indigenisation of commmercial banks are examples of positive steps which the government has taken towards attaining these objective of which profitability is a crucial target.

2.5 STRUCTURAL OF NIGERIAN COMMERCIAL BANKS

The structure of commercial banking in Nigeria is similar to that prevailing in the United Kingdom. That is, the branch banking system which is also practiced in most of the Western countries (Adekanye)[24] 1986. Branch banking is characterised by a single banking company conducting operation at two or more places. It has a wide network of branches extending throughout the country, with branches controlled from head offices.

However, the United States has a unique banking system with a unit banking system that has numerous individual local banks. Unit banking permits banking services to be provided by a single official institution. Hence banks in United States are affected either by Federal or State regulatory control, and in some matters both.

However, in Nigeria banks are subject to uniform laws.

Commercial banks in Nigeria can be classified into two: the purely indegenous banks, owed wholly by Nigerians (governments and individuals), and the mixed banks with a majority indegenous share-holding (at least 60 percent equity) and minority foreign interests.

2.5.1 COMMERCIAL BANK OPERATIONS

Banks by nature of their operations occupy a strategic position in any economy. Nigeria is no exception since banks in the country occupy top positions in terms of assets and by implication profitability.

For making huge profit at the height of recession which has not been matched by comparatively high level of efficiency, Nigerians banks have been critised by the various publics they serve. Therefore, the issue of improvement in customers services in the country's commercial banks has become matter of crucial national concern. In an effort to revamp the economy and revolutionise the banking system, the former military regime under President Ibrahim Babaginda introduced a number of measures through the Structural Adjustment Programme (SAP). The core of these measures has been the deregulation of the economy to allow for more competativeness in the market place.

However, the operations of commercial banks in our country are affected by a number of constraints which also affect the amount of profit made by these banks. Among some of these constraints according to Osubor (1984)[25] are:

1 Minimun capital and reserve requirement established by law.

2. To accommodate withdrawals and pay time deposits on maturity. Failure will result in

insolvency and immediate bank closure.

3. Legal restriction on types of loans and investment and loan to any single customer must not exceed certain limit.
4. Legal upper limits paid on deposits and charged on some loans.
5. Huge operational and efficiency cost of the bank.
6. Legal restriction on entry into banking industry and establishment of branch or other offices.

The pegging of naira at ₦82 per dollar by Sani Abacha military regime further constrained the expected profit of the commercial banks. Moreso, the regulated interest rate of 21% (percent) maximum for lending and savings deposit rates of 12 - 15 percent under the contest of high inflationary rate which discourage savers pose a serious challenge to commercial banks in 1998 and beyound.

The expectation that the new interest rate structure will boost investments and facilitate the much desired growth and development of the economy, may pose unpleasnt operational and efficiency of the commercial banks which have already started sending some packing features which led to the distressed atmosphere experienced by the banking industry.

However, commercial banks, as profit making ventures must strive through their operations and innovativeness to maximise their profits in this present reorganised strucure.

2.6 BANKING SERVICES

Adekanye[26] has optly categorised services provided by commercial banks in Nigeria into two: Services provided to individuals customers and Services provided to organisational customers.

A bank is a financial institution for the keeping of money and valuables safely, the tranfer of money, between persons, the giving of advances, and carrying out of transactions on other monetary matters.

However, commercial banks are in business to render services both to individual customers and organisation customers at a profit. The services are many and divergent by the type and the quality available will depend upon the degree of development of a country's financial system. Bank services, according to (Afolabi 1988)[27] and (Akpaso 1988)[28] could be grouped into:

1. Deposit Collections
2. Financial Services.
3. Provision of Credit facility.

4. Foreign services

5. Money transmission services

6. Services to place or time.

2.6.1 DEPOSIT COLLECTION

In order to benefit from all the numerous services provided by commercial banks in Nigeria, one is expected to open an account with the bank through which deposits are collected. The main types of accounts that can be operated in Nigeria and through which deposits are collected are discussed below

(a) Current Accounts

The most popular banking account is the current account. This runs from day to day, and the balances change at the end of the day in which a debit or credit entry has been made. No notice is required before money can be withdrawn from a current account, thus also called a demand deposit account.

Before a customer can open a current account he is normally required to provide people of satisfactory status as reference. Withdrawals are made by use of cheques, while deposits are done by completing paying-in-slips, locally called tellers. The banks pay no interest on credit balances on current accounts.

A customer operating a current account is expected to maintain a credit balance in his account except where he has been granted overdraft facilities. When an overdraft facility is granted to a customer, a limit is usually set, up to which he can draw. An overdraft facility granted to a customer attracts interest, in addition to fees charged from services rendered to the account holder by the bank.

(b) Savings Account

The second most popular account is the saving account. Savings accounts are operated by means of a passbook in which credit or debit entries are entered in accordance with deposit and withdrawals respectively. Unlike current account, withdrawals forms are used in place of cheques, hence the account holder must be physically present before withdrawals are made. Savings accounts attract interest at a fixed rate and no notice is required before a withdrawal is made.

© Fixed deposit Account

This account is similar to savings account and is operated by customers who want to earn interest on their money. In some cases, notice for a period of time, say seven days are usually required before withdrawals are allowed without notice, interest will be forfeited for the period of notice should be given. One type of account in this category is the short

deposit account.

Another type of deposit accounts are the fixed deposits. Fixed deposits accounts can be operated for 3 months, 6 months, 9 months, and one year. These are also called " Time deposits", they attract higher rates of interest but are expected to be kept for the fixed period of time. If a withdrawal is made before that period, interest will be forfited for the whole period.

2.6.2 MONEY TRANSMISSION SERVICES.

The second major service rendered by commercial banks is that of money transmission. The money transmission services provided by commercial banks include collection of cheques, direct debiting, standing orders, mail and telegraphic transfer, and bank drafts.

(a) Collection of Cheques

When a customer receives a cheque in which his/her name appears as payee, there are three major things the customer can choose from, depending on his/her choice and on whether there is a restriction. If there is no restriction, the customer can collect cash at the drawee bank (the bank on whom the cheque is drawn), can transfer the cheque to another person(s) by acknowledging the tranfer in writing at the reverse side of the

cheque, followed by his/her usual signature, or thirdly, by completing a credit slip and paying it into his/her account in any branch of any bank.

However, restrictions are imposed on cheques called "Cross Cheques". A cheque is said to be crossed when it bears cross its face an addition of :

(1) The words' and company' or any abbreviation thereof between two parallel transverse lines, either with or without the words 'not negotiable'.

(2) Two parallel transverse lines simply, either with or without the words 'not negotiable', that addition constitute a crossing and that cheque is crossed generally.

Cheques can also be crossed especially to a banker. Cheques with restrictions are not cashed at a bank, but must be paid in for the credit of an account, with the information supplied.

(b) Direct Debiting

By the authority of a customer, financial houses, insurance companies, and building societies can make a direct claim on the customer's account. This saves time and extra money that would otherwise be required if the customers was to order for the transfer each time it falls due.

© **Standing Order**

A standing order is a written request from a customer to the bank to render a service of payment, usually monthly or annually, either for a limited period or until further notice. Such standing instructions might request the bank to make such payments as and when due to insurance companies, business houses, etc; in respect of subscription to clubs, association, institutes and so on. This will be done if enough funds are available in the account on the given dates.

(d) **Mail and Telegraphic Transfer**

Mail and Telegrapic transfer are a form of money transmission services rendered by commercial banks. Mail transfer is particularly very useful in settlement of foreign accounts between banks, business and institutions, and takes about one to six months to clear across international boundaries because of the use of the post office as the instrument of communication.

The telegraphic transfer is more or less a phone call information, confirmation and necessary action. Both parties can be notified by means of telephone, radio message, cablegram or telegram when appropraite.

(e) Bank Drafts

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

(f) Open or Cashing Credits

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

2.6.3 FINANCIAL SERVICES

Commercial banks, in addition to the above services render financial services such as safe custody, status inquiries and business advice.

(a) Safe Custody

Commercial banks in Nigeria provide custody services for their customers. Treasure items, such as jewellery, wills, certificate of occupancy, share certificates, life assurance policies, deed of conveyance etc. can be kept in the bank strong rooms. Such items are

made "open" to the bank officials, in which case the items are signed for. These are done for safety purposes. Items can also be lodged in sealed envilopes where the contents will be unknown to the bank officials.

(b) Status Inquiries

A customer can give his bank name to a supplier or anoher bank for reference purpose. In such a case, a request is sent to the customer's bank for brief assessment of the customer financial standing.

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

(C) Business Advice

Business advisory service is primarily arrived at assisting small business customers to develop their business in such a way that they can attract bank finance. Small scale traders are taught how to introduce simple record keeping and accounting into their operation.

2.6.4 FOREIGN SERVICE

A number of foreign services are provided by commercial banks, some of which are provision of travellers cheques, foreign currency, bills for collection, bills for negotiation, documentary credits and open account.

(a) Travellers Cheques

Travellers cheques are a form of travel currency giving the holder the security of a letter of credit and the conveniences of a local currency. They can be issued in several denominations of foreign currencies, but in Nigeria they are generally in dollar and pound sterling and are encashable at the correspondents of the issuing bank abroad. In practice, they are also usually acceptable at hotels, departmental stores etc. The holder signs the cheques on their issues; when they are to be cashed the holder counter signs them in the presence of the cashier who checks the signatures before effecting payment.

In the event of a loss or theft of travellers cheques, the issuing bank will arrange a refund or replacement provided the cheques were signed in the correct place at the time of issue.

(b) Foreign Currency

Foreign Currencies especially the US dollars and the pound sterling are available in

limited quantities from all banks in Nigeria. These can be obtained to meet minor expenses like taxi or bus fares prior to encashing travellers cheques, when on a journey abroad. Unused travellers cheques and foreign notes can be cashed on return from foreign travel at the issuing bank. Nigeria's stringent foreing exchange regulations especially under the present Structural Adjustment Programme (SAP) limits the amount of foreign currency and travellers cheques that can be obtained.

© **Bills for Collection**

In international trade, between persons or corporate bodies the bank acts as a link. Exporters can request their banks to help them collect bills from their overseas importers. The exporters draw a bill of exchange payable on a specified date on the importer. The Nigerian exporter then gives the bill to his Nigerian banker to collect the proceeds on his behalf. The bank sends the bill to its correspondents in the overseas country requesting that the bill be presented at the end of the time for payment. When the proceeds are received, the customer's account is credited with the naira equivalent.

In some cases the customer may forward the bill direct to the importer in the overseas country for acceptance after which the bill is returned to him. He then attaches the necessary documents to the bill when demanded, and passes it to the overseas country

concerned for payment. A bill with documents attached to it is called a documentary bill. If no documents are attached, it is a clean bill. The customer is required to give instructions to the bank as to whether documents are to be released against acceptance or only against payment.

(d) Bills for Negotiation

Cases abound in which the customer who owns a bill may be in dive need of money for more business; he may request his bank to negotiate the bill. This means that he sells the bill to the bank. The bank pays the customer the face value of the bill minus a discount. However, such negotiation is done with the agreement that if the acceptor fails to pay the bank, the bank will claim from the customer. In such a situation the bank may ask the customer for security. If it is a documentary bill the documents will form part of the security.

(e) *Documentory Credit*

This is an important foreign service and it is used where an exporter is sending goods to say a Nigerian importer by sea. The exporter would do the following:

- Insure the goods
- Obtain an insurance certificate and

- Prepare an invioce showing details of the goods and their cost.

Immediately these are done, he/she would proced to send the goods during which a bill of lading must be obtained from the ships' master. The insurance certicate, the bill of lading and the invoice, form the necessary papers required for such documentary credit. Since the Nigerian importer cannot claim the goods without the bill of lading, the documents are forwarded to him through a collecting bank (correspondent bank) by the quickest possible means.

The arrangement gives protection to both the exporter and the importer. The importer will be able to study the documents and make sure that the quantity, cost and description of the goods are in conformity with the original contract. The exporter, on the other hand, retains control of goods until he/she is paid, because documents will not be released until payment is done.

2.6.5 PROVISION OF CREDIT FACILITIES

The provision of credit facilities is one of the most important functions of commercial banks. In making credit available, commercial banks are rendering a great social service, because production is increased, capital investments are expanded, and a higher standard

of living is achieved. Types of credit facilities offered by commercial banks include loans, overdraft, guarantees and indemminities, performance bound and so no.

(a) Loans

The loan facility is provided by commercial banks in Nigeria mainly, but not exclusively, to sole traders and individuals such as salary earners to help them over a difficult period or supplement the payment of school fees, medical bills and some unforseen expenses. The amount granted is usually small and it is payable at the shortest possible time.

The amount granted as loan is made available by transfer from a loan account in the customer's name, to his/her current account. At regular intervals, say monthly, transfers are made from the current account to the loan account.

In this way the debit balance in the loan account will be liquidated after a given period of time. Since interest is charged on the balance of the loan account, irrespective of whether or not there are surpluses in the current account, the loan is more expensive than the overdraft at given rates of interest.

(b) Overdraft

This is the cheapest form of borrowing at a given rate interest, because interest is calculated on daily basis and the customer pays only for what he/she uses. Commercial banks in Nigeria today base their lending business on this concept of overdraft since they are interested in short-term lending.

Before an overdraft is granted the bank manager must be satisfied about the purpose of the loan, amount of the loan, duration of the loan, security and source of repayments.

To the banker, an overdraft has the advantage of being self liquidating by the normal turn over of account. However, in practice, an account may not swing into credit for quite sometime.

In Nigeria, commercial banks are constrained by the nature of their funds to provide only short-term facilities on loans and overdrafts to their customers which are usually repayable within one year. Thus, they provide mainly short-term facilities for working capital purposes.

c) **Performance Bond**

This is providede by commercial banks to customers in the building or construction industry where they are sometime, asked to give performance bond as a gurantee that they have enough financial resources to carry out the contracts succesfully. The bank would provide this to its deserving customers when a banker gives such a gurantee, it usually takes a counter-indemnity which enables him to claim against the customer in the event of default.

d) **Gurantees and indemnities**

This service is provided when a customer looses his/her share certificate. Duplicates of money related certificates, for example share certificatesm may only be sissued by the company affected if a banker gurantees indeminifies the issuing company. A bank may do this to its customer if the bank itself is covered.

2.6.6 SERVICES OF PLACE ON TIME

a) **Mobile Banks**

Banks may go to agricultural shows or fairs with strong boxes to provide banking services. At the initial stages of rural banking, some banks used to travel in the villages providing similar services.Now, many of the rural areas are provided with permanent

banks through the rural banking scheme. Froms of mobile banks can also be seen during exhibitions and trade fairs where banks erect temporary stands.

(b) **Night Safes**

This arrangement, provided by a few branches of few banks in Nigeria enable selected customers to deposit money after usual banking hours. Opening customers are supplied with wallets with locks When the need arises, the customers put the cash and paying-slip in the wallet. It is then locked and post through the exterior wall of the bank which leads into a safe. The wallets are cleared the following working day and the customer's account credited. Shopkeepers wishing to bank their daily takings rather than leave them in the shop overnight or carry large amount home find this service helpful.

Some of there services are not available in Nigeria, while most of those available are grossly underdeveloped thus creating appreciable divergence between the standard of services available to bank customers in Nigeria and elsewhere in the world.

Finally, the commercial banks operate within the guidelines of the Central Bank of Nigeria and these guidelines reflect the monetary policy of the Federal Government of Nigeria. In effect, banks also carry out the monetary policy of the government.

2.7 MAJOR CHARACTERISTICS OF BANKING SERVICES

The following characteristics are applicable to most of the commercial banking services.

(a) Wide Range of Services and Products

Banks offer a wide range of products and services to meet a variety of financial and related needs from different customers in different areas. On one hand it provides a special one-off management service for an industrial customer and on the other hand a retail service covering money receipts, shortage, supply and tranmisssion.

(b) Intangibility

Banking services, except in particular instances, meet a general rather than a specific need. Particular benefits are not readily apparent and therefore banks are dependent on getting their message across to public effectively, and ensuring that their image and services are attractive.

(C) Lack of Special Identity

Another feature of bank services is lack of special identity, that is banks service is very much alike to the public. According to (B.P Wadiri.)[29] he states " Iam convinced that customers partronise a particular product on bank, as a result of marketing". He further

asserts that "in my opinion the best way to market bank services is to improve the quality of the services we offer. Nevertheless we do marketing to survive against competition; but we advertise not mainly our services, but our names. Most of us are familiar with the various advertisements sponsored by the banks; but none of these advertisements fully catalogue all the services we offer ~ the reason being that, while our names are different our services are the same."[30]Each bank must therefore find a way of distinguishing this in the minds of the public. As the competing products are similar, the emphasis is on the package rather than the product. The package consist of branch location, staff, services, reputation, advertising and constant innovative services. As major competitors offer similar services, the emphasis should be on the promotional tools, rather than on the inherent uniqueness of a particular bank's services. This is one of the areas where banks should adopt customer-orientation services as a traditional approach.

(d) **Geographical Dispersion**

There has to be a branch net work in any bank of size and scope , and in order to provide sufficient services to its national and local customers, its services or promotions must have a wide appeal and applications.

Banks largely get business, if they have highly efficient wide range of products,

reputation and location.

© **Inseparability**

As a result of the simultaneous production and distribution of banks services, the main concern of the market is usually the creation of time and place utility that is having the services available at the right time at the right price to the right customer in the right place (Nwankwo 1988)[31]

(f) **Highly individualised marketing system**

In industrial goods, selected channels of distribution are established containing several middle men. More often than not the systems are the most efficient. Unfortunately, this is not the case in the banking sector where you have few traditional channels of distribution. In bank transactions the relationship exists between the banker and the customer directly and therefore the bank staff should show a friendly and courteous attitudes towards clients.

2.8 MARKETING OF BANKING SERVICES

Most literature deal with the marketing of customer and industrial products and not marketing of financial services. For this reason, there is a general misconception even among students of

Business, Finance, Bankers and practising managers that marketing has little or no role to play in the banking sector.

2.8.1 MARKETING DEFINED

There are many definations of marketing. However it is often confused with one or more of its sub-functions such as sales or advertising. The established literature on marketing and many marketing scholars offer slightly or significantly different definitions.

In 1910, Ralph Starr Butler in a course entitled "marketing maehods" explained how he conceived marketing. "In considering the whole field of selling, I developed the idea that personal salesmanship and advertising had to do simply with the final expression of the selling idea"[32] However, there is no single definition of the word that is universally accepted. This assertion was epitomised by Martin (1985) when he said that "despite the evolution of marketing thought, there is still no clear consensus as to the definition of marketing nor to marketing boundries"[33]. It is obvious from the above statement that there is still no single acceptable defination of marketing.

Elvy (1980)[34] defines marketing as "the getting of the right gooods (or services) in the right quantity to the right place at the right time and making a profit out of the operations". This

definition clearly distinguishes marketing from those other functions with which it is often confined. It implies that marketing is a comprehensive function that concerns every aspect of a product or service.

James (1972)[35] felts that "marketing is concerned with every asepect of a business which in any way affects the attitude of customers towards the present or future output of that business". It is that part of the enterpreneurial activity which makes production viable and without it an enterprise has no value, he argued.

Kotler (1980)[36] on the other hand defined marketing as "human activity directed at satisfying needs and wants through the exchange processes". Hence, the satisfaction of wants and needs not involving an exchange process is actually not a marketing activity.

According to Stanton (1981)[37] "Marketing is the creation and delivery of a standard of living" Marketing according to him involves

(a) Finding out what customers want.

(b) Planning and developing a product or service that will satisfy those wants; and

(c) Determining the best way to price, promote and distribute that product or service.

Mclver (1980)[38] sees marketing as " the function of coordinating and conrtolling the planning, selling and promotional activities of commercial enterprise (banks inclusive) to serve the customers profitably".

As there is no consensus on the definition of markting, Hunt (1976)[39] argued that "marketers should not worry about a precise definition of marketing, as long as there is a developing consensus as to marketing total scope.

According to London Institute of Marketing (1980)[40] "marketing is the management process responsible for identifying, anticipating, and satisfying customer requirements profitably".

The American Marketing Association (1983)[41] defines marketing as "the performance of the business activities that direct the flow of goods and services from the producer to the customer or user".

Despite the differences in the definitions given above they all have one thing in common, that is, emphasising the central role of the customer in the successful operation of an enterprise. In other words, marketing is no more than a business philosophy that recorgnises the need to understand the needs and wants of customers, as a basis for profitable penetration of the market.

In conclusion, our discussion on the definition of marketing, will be better understood by considering the functions of marketing. According to Baker (1979)[42], the functions of marketing can be summarised as comprising of :

(a) Analysing and forecasting of consumer wants and needs, through marketing research.

(b) Development and designing products (and services) to satisfy the identified wants.

(c) Influencing demand through design, advertising and promotion, and

(d) Service which includes distribution, after sales service, transportation,financing, etc".

However, marketing goes beyound selling and advertising. Marketing grows slowly and tends to pass through five distinctive stages. In the context of marketing the stages are briefly discussed below.

Before the mid ~ 1950s, in the United States, banks had no understnding or regard for marketing. Banks were supplying needed services and did not have to make a case for checking accounts, savings, loans or safe deposit boxes. The bank building was created in the image of Greek temple calculated to impress the public with the banks importance and solidity. The

interior was austene and the sellers rarely smiled. This was bank posture before the age of marketing (Kotler 1978)[43].

Marketing came into banks in late 1950s, not in the form of the " marketing concept" but in the form of advertising and promotion concept.They establish budgets for advertising and sales promotion and managed to attract many customers. The competitors were forced into adopting the same measures and carried out or hired agencies for advertising and promoting their products and services.

The banks that first introduced modern advertising and promotion soon found out their advantage was cancelled by the rush of immitators. They also learnt another lesson that attracting people to a bank is easy, converting them into loyal customers is hard. These banks began to formulate a larger concept of marketing, that of trying to please the customers. Bankers had to smile and interior of banks had to be redesigned to produce a warm, friendly atmosphere. Even the outside Greek temple architecture had to be changed.

The first bank to implement this change began to out perform their competitors in attracting and holding customers. However, their competitors quickly figured out what was happening and rushed into similar programs. Soon all banks become so friendly that it became common to all

banks such that it lost its potency as a determinant factor in bank choice.

Banks had to search for a new basis for differential advantage. Bankers who read Professor Levilts article "marketing myopia" (1965)[44], began to realize that marketing transcends advertising and friendliness, although these are important ingredients. Banks are not only narrowly in the saving business but in the business of meeting the varied and changing financial needs of customers.

Thus, banks began to think in terms of continous innovation of new and valued customer services, such as credit cards, christmas savings plans, and automatic bank loans. Bank of America, for example, today offers over 350 financial products to its customers (Kotler 1978)[45].

What happens when all banks offer similar services ? They are forced to find a new basis for distinction. They begin to realize that no bank can be the best for all customers. No bank can offer all products. A bank must choose and examine its opportunities and strenghts and take a position in the market.

There is still higher concept of bank marketing that represnts the ultimate essence of modern marketing. The issue is whether the bank has installed effective systems for market analysis,

planning and control. The marketing concept is a more recent idea in the history of exchange relations.

2.8.2 BANKING MARKETING IN NIGERIA.

Olalusi (1986)[46] defines marketing of banking services as " identifying and stimulating demand for the bank's services; meeting that demand by making available the banking services in the most effective manner to present and potential customers, and achieving the profit and other objectives related to the identification, stimulation and satisfaction of demand for the bank services". The focus of marketing banking services is on the customer for without a total commitment to him on the part of the company as a whole, the application of advanced marketing techniques can have only limited and brief effects.

The marketing of banking services as Maiden (1983)[47] observed " was concerned primarily with the problem of establishing itself as an acceptable Worth-while function". However, many bankers are fast in realising the importance and impacts of marketing in their in their related field. They are recognising that marketing is changing not only the banking business but the global financial world. They are coming to grips with the idea that customers needs and desires are the basis upon which the future of their business depends. The increasing importance of marketing in banking industry according to Maiden (1983)[48] is as a result of four occuring market place

factors :

(a) Increased competition for customers

(b) Increased technology

(c) Increased sophistication of those customers; and

(d) Increased cost of meeting customers needs profitably. "Under these circumstances the change is more and more the acquisition of funds rather than the employment of them".

Since bank services is very broad in practice and includes among other things cheerfulness and politeness at the counter, respect for fair treatment of customers, hence it is performed rather than physically produced.

However, the concept of bank marketing is relatively new in Nigeria. According to Oguntade (1987)[49] until recently "the bank operate in sellers market and this gave rise to the phenomenon of demarketing". He argued that the Nigerian banker is an arm-chair banker who arrived for business and cared little or nothing about his customers.

Usman (1988)[50] states that " the marketing of financial services in Nigeria was characterised by what is commonly knowns as " arm chair banking" where officers simply stay glued to their

monetary polices of twin privatisation and commercialisation, generation of foreing exchange (FEM), introduction of people's Bank of Nigeria, community banks and free interest rates. However, the promoters of the non-bank finance houses seem to have spotted certain areas where they can fill gaps left by the commercial banks. They have been spurred on by the constant complaint by bank cutomers about poor quality Service and inefficiency and so accepted the challenges of competition.

It can be seen from the above discussion that, in Nigeria todays, the need for adoption of marketing by commercial banks in satisfying customers needs and wants is of paramount importance and it is imperative that the professional banker(s) should appreciate the role of marketing and its importance to the banking system.

2.9 SERVICE AND SERVICE INDUSTRY.

The contemporary marketing definition of product encomopasses all things that are capable of satisfying needs and wants. This in essence means both tangible and intangible. The relevance and importance of this definition lies in the facts that satisfaction of human needs and wants is the major determinant of what a product is consequently, all product that are met physical or tangible in nature are services.

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What is service ? Everybody has as an idea of what services are, yet they are difficult to define. One of the reasons for difficulty in definition is that many product have as services component - credit, installation, and warranties to mention but few ; also many services have a product component,such as cheque books and credit cards from a bank, pop-corn and soft drinks at a movie etc. lastly, Services are difficult to touch or observe.

Kotler (1983)[52] defined a service as " any activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product". Hence, renting a room in a hotel, depositing money in a bank, having a haircut, having a car repaired, getting advice from a lawyer and so an all involve buying a service.

To Russ (1982)[53] a service is" the temporary provision of a product or the performance of an activity intended to satisfy certain needs of buyers". This definition explictly excludes the service component of what is essentially a product, unless the service is unbundled and sold seperately.

Stanton (1981)[54] defined services as " those seperately identifiable, essentially intangible activities that provide wants satisfaction, and that are not necessarily tied to the sale of a

product of another service."

Encompassed in the definition are the following salient features:

(a) Intangible benefits offered for sale independently of other gooods or services (e.g., insurance, invenstment, legal services), and

(b) Intangible activities which require the use of tangible goods (e.g. House rentals, Transportation services).

From the above salient features another definition of service can be derived thus

"A service is an intangible benefit or activity which is capable of being clearly identified that can satisfy human need in which the exchange or purchase does not actually result in physical ownership or possession and its production and / or provision may require the use of physical product."

The above definition of services emphasises the uniqueness of service. Thus service is described as activity or benefit which is intangible . This implies that service is performed rather than physically produced like physical objects. Service is also described as being clearly identifiable activity or benefit.

Also services being intangible also does not allows for physical possession.or ownership. Even through service is essentially intangible its production and / or provision might require the use of physical product. This however does not in any may affect the intangiblility of service.

From the above definition and explanation of service, it is obvious that there are many activites that can be regarded as service. These activities range from personal services using natural or acquired skills to activities using facilities such as transportation, communication etc. Similarly, services activities are performed by both individuals, and institution or corporate bodies. Thus there are individual and institutional services consumers and providers. The service sector serves all the other sectors of the economy by way of providing their intangible needs.

2.9.1 CHARACTERISTICS OF SERVICES AND THEIR IMPLICATION TO MARKETING.

Services are different from products, though both offer some benefits to the consumer. Services possess several distinctive charasteristics which create marketing problem,and result in marketing problems which often are significantly, different from those found in connection with the marketing of tangible products.

Stanton (1981)[55] gave four (4) major characteristics of services, namely "intangiblity, inseparability,heterogeneity and perishability and fluctuating demand.

- **Intangibility**

Many services are essentially intangible. Customers can not touch them or otherwise sense them before purchase. The Impossibility of a customers tasting, feeling, seeing, hearing or smelling a service before he buys it places some strain on the marketing organisation.

Hence, the link between the service and the result is tenuous, and the purchase to a greater extent is an act of faith. This requires that marketing strategy builds confidence, makes tangible what is intangible, and links benefits to purchase.

- **Inseparability**

Services often cannot be separated from the person or the seller. A corollary to this point is that some services are created and marketed simultaneously.

From a marketing stand point, inseperability means that direct sales frequently is the only possible channel of distribution, and one sellers services cannot be sold in very many markets. Inseparability also renders centralised mass productionb difficult if not impossible in some

cases.

- **Heterogeneity**

The heterogenous nature of service in terms of quality or standard is a major problem to marketing. It is impossible to standardise output among several sellers of presumably the same services. As a matter of facts, it is not possible to standardise completely even the output of one seller. In addition, it is often difficult to judge the quality standard could also pose problem in pricing. This could result in not having clear - cut pricing policy.

- **Perishability and Fluctuating demand.**

Services are highly perishable, and they can not be stored. Unused electric power, empty seats in a stadium, and an ldle cashiers in a bank al represent business which is lost forever.

In addition, the market for services fluctuates considerably by seasons, by days of the weeks and by hours of the day. The combination of perishability and flexibility and fluctuating demand offers planinig, pricing, and promotion challenges to executives in a service company.

From the foregoing analysis of service characteristics and implication to marketing it is

obvious that our earlier stand on the distinction between physical and non physical product is appropriate if one would consider the marketing implication of these characteristics and compare same with the physical product.

These characteristies not only create peculiar marketing problems, challenges and opportunities but also require peculiar marketing programmes and application which could be essentially different from those meant for marketing of physical products . This is essence means that product characteristics determine marketing mix responses.

2.10 APPLICATION OF THE MARKETING CONCEPT IN SERVICE INDUSTRY.

The growth in services over the years in our country cannot be generally attributed to the maturation of the economy and rise in the standard od living, and not necessarily to marketing developments in the service industries. Traditionally, executives in service campanies have not been marketing oriented. As stanton (1980) pointed out " The repair Industry has left a trail of dissatisfied and even irate customers for yeaars"[55]. Service organisations also have generally been slow in adopting promotional methods, "product" strategies, and other marketing techniques.

Services industries have lagged behind in accepting the marketing concept and this is as a result of a number of reasons. Russ (1982)[57] advanced the following reasons for slow accpetance of the marketing concept by service industies, namely:

- The demand for many services has outstripped supply .
- The provides of services have typically been small, or unsophisticated about marketing, or both;
- Many service industries have legal or ethical barriers to marketing practices e.g. legal, accounting, and heaith care profession are prevented by their professional associations from adventising;
- Lack of competition in some service industries e.g public utilities were "protected"by legislation;
- Finally, services are relatively difficult to market, parcularly because of their intangibility"

Until the early 1960s marketing in the service industries, and in the banking industry in particular generally meant advertising and public relations. Preston (1978)[58] observed that " although marketing was broadly recognised and considered important in most of the large banks, a large number of these banks considered marketing as essentially an advertising and

public relations exercise".

However, recent changes in the overrall economic environmet in which banks operate, in bank regulations and in the tehnological innovation have caused bank customers to alter the pattern of services they want. In addition, thesis changes have prompted banks to revise their thinking about the types of products and services they offer. As a result of these changes it has been increasingly important for the banking industry to adopt "the marketing concept" and to make use of the marketing techniques it enbodies.

The application of marketing techniques and practices in the service industry seems to have improved marketing over the past years. As Russ (1982) stated "the adoption of the marketing concept in the service industries is proceeding at a slower, but quickening pace"[59]. He went ahead to give reasons for the growing popularity of marketing techniques in service industries which includes;

- The entry of firms and people with experience in product marketing into service industries;
- The inbalance between demand and supply is shifting in favour of the buyer, forcing service suppliers to work harder to market the services they provide and

- Lastly, legal and ethinical barriers to marketing practices, particaularly advertissing are falling.

While there still may be a long way to go in some service fields, the overall future prospects look good for the recognition and application of the marketing concept in service industries, considering the dynamic nature of the business environment.

2.11 THE IMPORTANCE AND RELEVANCE OF THE MARKETING CONCEPT TO THE BANKING INDUSTRY.

Having discussed exhaustively the characteristcs of services and the application of the marketing concept to service industries, we will now consider the importance and relevance of the concept to the banking industry.

According to Jolson (1987)[60], the marketing concept" is the cornerstone of every business". Hence, it is important not only to the manufacturing industry but also to the service industry

(Banking Inclusive). The importance and relevance of the marketing concept especially to tangible product, has long been appreciated and recognised by marketing practitioners and academicians alike. However, some of the marketing practices applied to tangible products

are not applicable to the services because of the uniqueness of services.

The importance and relevance of the marketing concept to the banking industry lies in the new approach to management. This new management approach according to Hambagda (1987) " demand the use of modern scientific planning and problem solving techniques. He further stated that, the marketing concept is the marketing plan, the plan of action, control, objectives and follows-up programme"[61]. In this regard, there are new implications in the marketing concept which are of relevance to bank - namely planning, developing a strategy, and systematically and scientifically selecting among available alternatives to provide customers satisfaction.

Nwankwo (1980)[62] observed "the used for marketing concept in the banking industry by observing that "banking services are of a two-sided nature". A banker has to attract custoners to sell his deposit to him and has to attract them to buy loans and advances from him. Thus, unlike other firms,the bank not only has to develop marketing strategies to sell its services, but it also has to develop those with which to buy.

The importance and relevance of the marketing concept in the banking industry is essential for a shift from the sales orientation which has hitherto characterise the marketing of

financial services in the developing countries including Nigeria. This orientation has enabled banks to make handsome profits because they have operated in the context of a sellers market in which the consumers have no choice. There is no guarantee that this context will continue for ever, competition is daily appearing, and as a service establishments banks have to adjust to changing needs of the environment.

The marketing concept in the banking industry is also essential not only because of the existence of competition but also because of the existence of too great a quality of funds outside the banking system in Nigeria, observed Nwankwo (1980)[63]" it is estimated that out of eighty million Nigerians at least ten million each have ₦100 in their pocket at any given time". If banks were to market their services effectively, such that these people are persuaded to deposit these amounts , some millions would be mobilised immediately.

From the foregoing, it can be seen that, the importance and relevance of the marketing concept to the banking industry cannot be overemphasised. As Drucker (1973)[64], rightly observed "the aim of the marketing concept is to make selling super flows to know and understand the customer so well that the services fits them and sell itseif; ideally marketing should result in a customer who is ready to buy". Hence to ensure survival, every bank should accept and practice the marketing concept in order to attract and retain more

customers.

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CHAPTER THREE

RESEARCH METHODOLOGY

3.1 INTRODUCTION

This Chapter (3) discusses the procedure adopted in this research work in general. Different types of data collection techniques are available in practice, but for the purpose of this research, the questionnaire technique was selected. The administration of the questionnaire is also discussed and finally the method of data analysis used for the research is adequately examined.

3.2 THE RESEARCH DESIGN

A research work of this nature could have been carried out using the survey or documentary investigation, however the case study approach is used for a number of reasons. The case study method tends to reveal the truth about a particular group of people or group of firms in an industry.

Also, it is believed that any generalization made will be applicable to all commercial banks in the country (Nigeria). Again the cost and time involved is minimal when compared to the time needed for a survey method the survey method is not only costly but also time

consuming.

This research work is set out in five (5) chapters. Chapter one is the introduction which serves as the background to the whole work. It further covers aspects like statement of the problem, objectives of the study, the significance of the study, the research hypothesis, the scope of research, the research methodology, and states the limitations of the study and finally attempts to define relevant terms.

Chapter two (2) is the review of related literature and it attempts to exhaustively discuss the entire related literature; It therefore covers the historical development of commercial banks in Nigeria, Government influence, objectives of commercial banking, its structure, banking services characteristics, marketing of banking services, bank marketing in Nigeria, Service and service industry and the application and importance and relevance of the marketing concept to the banking industry. Chapter three (3) is the research methodology adopted for the study. It covers the research design, the sample selection, the method of data collection and analysis employed in the research work.

Chapter Four (4) covers the presentation and analysis of data. It discusses the findings and tests the hypothesis.

Chapter Five covers the summary of the work and its conclusion, and profers reccommendations. The references covered in the work and appendixes are also attahed.

3.3 SAMPLE SELECTION

It is the intention of the research to study commercial banks in Nigeria, but attention was paid principally on the two banks:

1. First Bank PLC and,
2. United Bank for Africa (UBA) PLC.

The choice of the two banks was as a result of the great percentage of patronage they enjoy. This makes it easier for the researchers to administer his questionnaire during the working hours commendable.

Also the two banks provide a range of servicers which are similar to those offered by any other commercial bank in the country.

The other reason is that the two banks operate within the legal and economic framework of the same society as do other banks in the industry.

In addition, customers opinion sampled in this research can be of any serious generalisation in respect to the banking industry inthe country.

3.4 METHOD OF DATA COLLECTION.

There are basically two (2) sources of data collection- these are

- Primary Data and
- Secondary Data.

The primary data is the information which is being collected for the first time by one of the following methods:

1. Interviews
2. Questionnaire
3. Observation and
4. Experimentation.

For the purpose of this research, the researcher adopted the questionnaire method, and personal interview.

A. ***Questionnaire.***

Two sets of Questionnaires were administered on both staff and customers of the two banks.

B. ***Personal Interview***

Personal interview in the form of discussions was used as a supplementary method of data collection under the primary and secondary sources.

3.5 METHOD OF DATA ANALYSIS FOR THE RESEARCH

The entire data collected by the researcher through the questionnaire, personal interview and documentary methods have been prioperly analysed and interpretations and conclussions drawn from it.

The researcher has used the tabular format for presenation of information and has used percentage to review the information and allow for comparisms. This is covered in chapter four (4).

A total number of thirty (30) copies of questionnaire A (for staff) was administered on the staff of both banks and twenty-five (25) were filled and returned.Sixty (60) copies of the questionnaire B (for customers) were administered on customers of the two banks, however only 50 were filled and returned. The analyusis was therefore based on the returned questionnaires.

3.6 HISTORICAL BACKGROUND

FIRST BANK PLC.

The first bank PLC was incorporated on March 31, 1894; and commenced banking operation in the same year. Due to it`s rapid growth, the British colonial administration saddled it with the responsibility of providing and performing the traditional roles of a Central Bank in the West-African sub-region.

The Banks name has been changed on a number of occasions as a result of significant events marking its long history of over 100 years. The name was first changed from the Bank of British West Africa, the name at incorporation, to the Bank of West Africa Limited in 1957. This followed the struggle for independence which began in the 1950`s. It was again changed in 1965 to the standard Bank Limited of the United Kingdom. In compliance with Companies decree of 1968, the bank was incorporated in Nigeria in 1969 as standard bank of Nigeria Limited. With the commencement of the Indigenisation programme of the Federal government in 1972, the Federal government acquired a 36.1 percent equity interest in the bank while it also allowed other local investors to take up to 12.9 percent. The majority 51 percent was held by the standard Chartered Bank limited which resulted from a merger between Standard Bank Limited and the Chartered Bank (both of the United Kingdom).

By 1979, the local interest in the bank increased to 62 percent following futher dilution of standard chartered bank`s shareholding. The banks name was changed in the same year to First Bank of Nigeria limited with the shares being publicly quoted in the Nigerian stock exchange. Following the promulgation of the company and allied act cap 59 laws of the Federation of Nigeria 1990, and in compliance with the registration of section 29 thereof, the Banks name was changed to First Bank of Nigeria PLC.

From 1979,when the vbank became indigenized, the bank has opened 102 more branches bringing the total branches network natiowide to 120 branches.Futher expansion programmes are now geared especially towards those states where the bank has no representation.

And finally the objective of the bank is to build a good, fast but coherent banking system expressed in it`s motto "First in every good Banking"

3.6.1 **BUSINESS OF THE BANK**

The bank is one of the biggest players in the retail banking business in Nigeria. It provides its numerous customers across the country, with a full range of commercial banking services including, but not limited to current, savings and deposit accounts, loans and overdrafts, provision of international banking services and finacial advisory services. The bank intends to

futher strengthen its leading edge in retail banking by improving in the quality and efficiency of its priduct delivery so as not to jeopardise its expanding clientele as a result of the on-going flight to safety in the Banking Industry.

3.6.2 ADMINISTRATIVE STRUCTURE

The operations of the bank are managed throug the following administrative directorates, each of which is headed by an Executive Director,

- Director of Corporate resourses
- Director of Banking Operations
- Director of Finance and International Banking
- Director of Corporate Finance and Information Technology
- Inspection
- Legal and Company secretariat

3.6.3 UNITED BANK FOR AFRICA PLC

United Bank for Africa Plc, has its antecedents rooted in that of its prdecessor, the British and French Bank Limited.The British and French Bank Limited itself, metamorphosed from Banque Nationale Pourle Commerce et L'Industre, BNCL, Paris, which was established in 1932. The British and French Bank Limited came into effect in May 1945 and began its

operations at 117 Broad Street Lagos, which today houses a part of the former Kingsway mail complex. The bank officially opened for business in December, 1949 with a staff strength of 12.

In 1960, the bank went public in accordance with public policy and intention of the french owners of the bank to sell off some of their shares to Nigerians.

On February 23, 1961, United Bank for Africa Limited was incorporated to take over the assets and liabilities of both the British and French Bank.

The off icial Opening of the bank for business under the new name was in October 3,1961, It's registered office was at 127-129, Broad street Lagos, with it's establishment UBA became the first bank among the international banks operating in Nigeria at that time to be registered under the Nigerian Law.The founding banks were:

I. The British and French Bank

ii. Banca Nazionale del Lavoro, Italy.

Iii. Monte del Pasiti de siena of Italy.

Iv. Bankers Trust Company, New York, U.S.A.

V. Amsterdam Rotterdam Bank of Holland

In 1996 the bank was taken over by a new owner who had bought the majority share of 60 percent loaned by Nigerians the chairman of the bank came on with a team of highly skilled,qualified senior management staff, this team with various achievments in their respective fields came on board with new innovation, ideas,strategies which turned UBA from the role of being one of the three best commercial banks to a leader.

With assets of over ₦5.5 billion and branches spread all over Nigeria, the bank has recorded an impressive growth rate. UBA is active in all aspects of commercial banking, it provides International banking, trusteeships, share registration,corporate finance and computer services through specialised division and subsidiaries.

Four of the founding international banks, namely; Banque Nationale del Paris, Bank International corporation New York, Banca Nazionale del Lavoro and Monte del Pashidi Siena, who all together own 40 percent of the share holding are represented on the board of directos and continue to make their expertise and resources throughout the world available to assist the bank and its customers. UBA has has branches in New York and grand Cayman Island, it also maintains correpondent relationship with many banks in Africa and major Countries in the World.

3.6.4 PRODUCTS AND SERVICES

UBA is active in all aspects of commercial banking and provides numerous services such as:

A) ***Current and Savings Account***

The bank provides services in respect of lodgements and withdrawals, issuance of bank drafts and funds tranfers between branches for those accounts. Their new operations system enable them to handle high volume transaction with past response time. They are also willing to render statements of account on a customers current account at desired frequency.

B) ***Deposits***

The bank accepts call and free deposits from their customers for variable tenors at negotiable rates.The treasury services are also flexible and offer products designed to meet specific needs of their customers. The banks objective is to give maximum yields and adequate capital protection to their customers.

C) ***Foreign exchange Transactions***

UBA is involved in buying and selling of foreign exchange and has been an active participant at the Central Bank Autonomous Foreign Exchange (AFEM) since its inception.The banks foreign exchange department through their New York branch uses the society in Bank Financial Transfer (SWIFT) system to effect foreign exchange remittance establishment of letter of credit for their customers.The system eliminates use of third party correspondent banks thereby reducing delay considerably.

D) ***Credit Facilities***

The bank offers various credit facilities structures to meet the customers needs. These consist of overdrafts, term loan, bankers acceptance, commercial paper and leasies. They also issue bonds and guarantees to various organisatiuons on behalf of their customers. They provide trusteeship, share registration,corporate finance, international banking, and computer service through specialised division and subsidiaries.

E) ***Unique Products***

Some of the unique products and services provided by UBA are:

I. Money gram

ii. Save for school

iii. Easy Card

iv. Electronic dial Up

v. Fastrax

vi. Seed Link

I. **Money Gram**

Is a fast safe and reliable way to send and receive money around the world in minutes and it is a very simple procedure.

ii. **Save for School**

Is aimed at promoting saving culture while giving savers the opportunity to obtain

educational financial assistance for everybody so desired.

iii. **Easy Card**

A cheque guarantee card which enables you to pay for your purchases by writing a cheque up to ₦50,000.00 at retail outlets, it saves you the risk of carrying cash and makes transaction convenient.

iv. **Electronic Dial-Up**

It is an easy way of accessing your accounts from the comfort of your house or the privacy of your office.

V. **Fastrax** is a global tranfer of funds in seconds.

Vi. **Speed Link** is a easy way of transfering funds within UBA branches nationwide.

3.6.5 ORGANIZATIONAL STRUCTURE

United Bank for Africa PLC, is an undisputed leader in the commercial banking today.The commercial department has credit unit and the marketing unit which is a new development, there is also the relationship management which works hand in hand with he newly created marketing unit.Other responsibilities of the commercial sector are ;

- Marketing of Bank services and Products
- Managing Customer/Bank relationship
- Credit appraisal or analysis.

Other sectors of the bank are the :-

I. Corporate banking

ii. Investment Banking

iii. Credit risk management

iv. Management Services

v. Operations (which work hand in hand with the commercial sector)

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 INTRODUCTION

This chapter (4) deals with the presentation and analysis of data collected from the field work. The data collected is presented in tabular form and the data analysis using percentages.

To ease and enhance a clear and distinct understanding, the chapter is divided into three main sections namely:

a) Presentation and analysis of data

b) Discussion of findings; and

c) Proof/Test of hypothesis

4.2 PRESENTATION AND DATA ANALYSIS

The data presented here is based on returned questionnaires. Two sets of questionnaires were administered on both banks under study (First Bank and United Bank for Africa PLC). The first set of questionnaire (Questionnaire 'A') was administered to thirty staff of both banks,

that is 15 to each Bank. First Bank reformed 11 while United Bank for Africa Plc returned 14 making a total of 25 returned questionnaires.

The second set of questionnaire (Questionnaire 'B') was personally administered by the researcher on a cross-section of customers of the two banks. Thirty (30) copies of questionnaire B were each administered in the two banks making a total of 60 copies. However, 23 copies only were returned from U.B.A PLC and 27 from First Bank making a total of 50 returned questionnaire.

The data and responses presented below in the following tables are based strictly on the completed and returned questionnaire only.

TABLE 1.0

HAS THE BANK A FORMAL MARKETING DEPARTMENT

RESPONSES	NO OF RESPONDENTS	PERCENTAGE
YES	6	24
NO	19	76
Total	**25**	**100**

SOURCE: Field work

Table 1.0 above indicates that for six (6) respondents which represents 24 percent the

understudied and commercial Banks generally have marketing departments. However, 19 respondents representing 76 percent (%) are of the view that the two banks under study have no formal marketing departments. Further enquires revealed that the function of marketing are however , performed by other departments for example corporate department.

TABLE 1.1

MARKETING IN YOUR BANK MEANS

RESPONSES	NO OF RESPONDENTS	PERCENTAGE
Selling of services	10	40
Advertising and sale promotion	8	32
Market Research	4	16
Public relations		
All of the above	3	12
Others (Specify)		
Total	**25**	**100**

SOURCE: Field work

From the above it can clearly be seen that staff of commercial banks do not have an idea of what marketing is all about. 10 (Ten) respondents believe marketing is selling of services and this represent 40 % response. 8 (Eight) respondents however see marketing as promotion this group represents 32 % while for 4 (Four) respondents representing 16 % see marketing as

market research. A negligent 12 % that is 3 respondents however view marketing as encompassing all the promotools (Advertising, personal selling, marketing research etc) From this response it is clear why Banks or commercial Banks in Nigeria do not perform well.

TABLE 1.2

IS MARKETING RELEVANT TO YOUR BANKING OPERATIONS.

RESPONSES	NO OF RESPONDENTS	PERCENTAGE
YES	25	100
NO	-	-
TOTAL	**25**	**100**

SOURCE: Field work

Though Table 1.1 shows that staff of commercial Banks do not have a clear idea of what marketing is all about: the Table 1.2 above however shows that they all agree that marketing is relevant to banking operations. All the 25 respondents representing 100 percent are of this opinion.

TABLE 1.3

DOES YOUR BANK CONDUCT RESEARCH INTO CUSTOMERS NEEDS ?

RESPONSES	NO OF RESPONDENTS	PERCENTAGE
YES	15	60
NO	10	40
TOTAL	**25**	**100**

SOURCE: Field work

TABLE 1.3 above shows that commercial banks conduct research into customers needs. 15 respondents representing 60 % are of this view, though 10 others representing 40 percent disagree to banks conducting research into customers needs.

TABLE 1.4

TO WHAT EXTENT IS RESEARCHING INTO CUSTOMERS WANTS IMPORTANT TO YOUR BANK ?

RESPONSES	NO OF RESPONDENTS	PERCENTAGE
Very important	17	68
Important	8	32
Less important	-	-
Not important	-	-
Indifferent	-	-
TOTAL	**25**	**100**

SOURCE: Field work

Table 1.4 shows researching into customers wants is very important as 68 %, that is 17 respondents bear witness to this position, while 8 respondents representing 32 % see researching into customers wants as being very important.

TABLE 1.5

HOW DO YOU GET INFORMATION FROM CUSTOMERS REACTIONS ON THE SERVICES RENDERED TO THEM ?

RESPONSES	NO OF RESPONDENTS	PERCENTAGE
Sales force	3	12
Mere observations	2	8
Market survey	-	-
Customer enquiry	20	80
Others (Specify)	-	-
TOTAL	**25**	**100**

SOURCE: Field work

Table 1.5 shows that 20 respondents out of 25 interviewed representing 80 % agree that information from customers reactions on services offered by banks is got through customer enquiry.

TABLE 1.6

WHAT SORT OF RESPONSE HAVE YOU BEEN RECEIVING FROM YOUR CUSTOMERS

RESPONSES	NO OF RESPONDENTS	PERCENTAGE
Favourable	19	76
Unfavourable	6	24
TOTAL	**25**	**100**

SOURCE: Field work

From the table above, 19 respondents representing 76 % are of the view that the response they receive from customers reaction is favourable; however 6 respondents representing 24 % are of the view that the response is unfavourable

TABLE 1.7

HOW DOES YOUR BANK PROMOTE ITS SERVICES ?

RESPONSES	NO OF RESPONDENTS	PERCENTAGE
Through Advertisement	20	80
Through personal selling	-	-
Sales promotion	-	-
All of the above	5	20
Others (Specify)	-	-
TOTAL	**25**	**100**

SOURCE: Field work

Information in Table 1.7 shows that commercial banks promote their services mostly through advertisements. 20 respondents out of the 25, representing 80 % state this view. However, 5 respondents representing 20 % are of the view that they engage in promotion by combining advertisements, personal selling, sales promotion and so forth.

TABLE 1.8

HOW DO YOU DETERMINE THE MODE OF PROMOTION TO USE ?

RESPONSES	NO OF RESPONDENTS	PERCENTAGE
Government	-	-
Competition	8	32
Customers	-	-
Bank Management	17	68
Others (Specify)	-	-
TOTAL	**25**	**100**

SOURCE: Field work

From Table 1.8 above the determination of promotional mode for 8 respondents representing 32 % is from competitors, while 17 respondents representing 68 % say Bank management determines the mode of promoting services.

TABLE 1.9

WHAT FACTORS ARE TAKEN INTO CONSIDERATION WHEN LOCATING A BRANCH ?

RESPONSES	NO OF RESPONDENTS	PERCENTAGE
a. Government influence	-	-
b. Population	6	24
c. Infrastructure	-	-
d. Competition	5	20
e. (b, c, and d)	14	56
TOTAL	**25**	**100**

SOURCE: Field work

Table 1.9 shows that when locating a branch the towns population, the infrastructure on the ground and other banks position or potentials are put into consideration. This is the position of 14 respondents representing 56 % of the respondents. For 6 respondents representing 24 % the only consideration is that of population, while for 5 respondents, representing 20 % see only the competitors as the measuring criterion.

TABLE 1.10

WHO DETERMINES WHERE A BRANCH IS LOCATED ?

RESPONSES	NO OF RESPONDENTS	PERCENTAGE
Government	-	-
Bank Management	25	100
Competitors	-	-
Customers	-	-
Others (Specify)	-	-
TOTAL	**25**	**100**

SOURCE: Field work

Though Table 1.9 shows that the population, infrastructure and competitors serve as criteria for locating a bank branch, Table 1.10 above however indicates that the final approval or endorsement of branch location is entirely the responsibility of Bank management. All the above 25 respondents representing 100 percent agree on this position.

SECTION B (CUSTOMERS)

TABLE 2.11

WHAT MADE YOU CHOOSE THIS BANK ?

RESPONSES	NO OF RESPONDENTS	PERCENTAGE
Bank Advertisement	35	70
Recommendation by friend.	10	20
Bank staff personal solicitation	5	10
Any other reasons (Specify)	-	-
TOTAL	**50**	**100**

SOURCE: Field Work

The choice of saving with a bank by customers is stimulated by banks advertisement for 35 respondents out of the 50 respondents interviewed which represents 70 %. Recommendation from either a friend or colleague forms only 20 % from 10 respondents, while staff solicitation forms only 10 percent from 5 respondents.

TABLE 2.12

WHICH OF THESE BANKING SERVICES DO YOU PATRONIZE ?

RESPONSES	NO OF RESPONDENTS	PERCENTAGE
Current Account	19	38
Saving Account	21	42
Fixed Account	10	20
TOTAL	**50**	**100**

SOURCE: Field Work

Table 2.12 shows that majority of customers of commercial banks partronise the savings account. 21 of the respondents representing 42 % are in this category. Current account is second with 19 respondents out of 50 interviewed which represents 38 %, while 10 respondents representing 20 % out of the 50 % respondents use the fixed deposit account.

The reason for majority of customers belonging to the saving account category is that many of them are civil servants and more so it is only the savings account that all commercial banks in the country give some sort of interest on.

TABLE 2.13

WHICH OF THESE BANK SERVICES ARE YOU AWARE OF ?

RESPONSES	NO OF RESPONDENTS	PERCENTAGE
Travellers Cheque	7	14
Bills of negotiation	7	14
Business Advisory Services	10	20
Guarantee and Indemnities	-	-
Safe Custody	6	12
Foreign Exchange Transaction	18	36
Others (Specify)	2	4
TOTAL	**50**	**100**

SOURCE: Field Work

From Table 2.13 there is divergent position or view on the awareness of services offered by commercial banks. 7 respondents each out of the 50, representing 14 % each are aware of travellers cheques and bills of negotiation respectively. This group understandably belong to the business class. 10 out of the 50 interviewees representing 20 % are aware of business advisory services offered by the bank, safe custody, has only 6 respondents representing 12%. Foreign exchange has a higher awareness since 18 respondents representing 36 % are aware of its existence in commercial banks.

TABLE 2.14

DO YOU HAVE DIFFICULTY IN GETTING SERVICES ?

RESPONSES	NO OF RESPONDENTS	PERCENTAGE
Yes	45	90
No	5	10
TOTAL	50	**100**

SOURCE: Field Work

Information in the table above shows unarguably that customers have difficulty in getting services such as loans from commercial banks. In fact 45 out of the 50 respondents representing 90 % are of this opinion.

TABLE 2.15

WHY ARE SERVICES DIFFICULT TO GET FROM COMMERCIAL BANKS ?

RESPONSES	NO OF RESPONDENTS	PERCENTAGE
No easy access to manager	-	-
Red tapism	10	20
Lack of collaterals	-	-
Bribery and corruption	25	50
Unfavorable referees report	-	-
Nepotism and tribalism	15	30
TOTAL	**50**	**100**

SOURCE: Field Work

The difficulties associated with obtaining services from commercial banks in Nigeria vary seriously for 10 respondents which represents 20 % out of the 50 respondents, to bribery and corruption which has 25 out of the 50 respondents representing 50 % of those interviewed and tribalism which has 15 respondents out of the 50 which represents 30 % of the sampled customers.

TABLE 2.16

HOW WOULD YOU RATE FACILITIES PROVIDED BY COMMERCIAL BANKS

RESPONSES	NO OF RESPONDENTS	PERCENTAGE
Satisfied	10	20
Not Satisfied	40	80
TOTAL	**50**	**100**

SOURCE: Field Work

Information in table 2.1 above shows that customers are not satisfied with the present facilities provided by banks for their satisfaction. 40 respondents out of the 50 representing 80 % are not satisfied, while 10 representing 20 percent are satisfied.

TABLE 2.17

DO YOU JOIN QUEUES BEFORE GETTING SERVICES

RESPONSES	NO OF RESPONDENTS	PERCENTAGE
YES	-	-
NO	50	100
TOTAL	**50**	**100**

SOURCE: Field Work

Customers do not join queues in commercial banks before getting services. All the 50 respondents representing 100 % accept this view.

TABLE 2.18

DOES THIS OFFER YOU ANY SERVICES PARTICULARLY DESIGNED TO SUIT YOUR REQUIREMENTS.

RESPONSES	NO OF RESPONDENTS	PERCENTAGE
YES	-	-
NO	50	100
TOTAL	**50**	**100**

SOURCE: Field Work

Commercial banks do not offer customers service designed to suit their requirements. All the 50 respondents, representing 100 % support this opinion.

TABLE 2.19 **HOW DO YOU RATE THE ATTITUDE OF BANK STAFF ?**

RESPONSES	NO OF RESPONDENTS	PERCENTAGE
Very Unfriendly	-	-
Unfriendly	-	-
Courteous	28	56
Indifferent	-	-
Very courteous	22	44
TOTAL	**50**	**100**

SOURCE: Field Work

For 28 out of the 50 respondents representing 56 % as shown in table 2.19 above, the

attitude of bank staff towards customers is courteous, while 22 out of the 50 interviewees see staff attitude as being very courteous.

TABLE 2.20

ARE YOUR COMPLAINTS ATTENDED TO ?

RESPONSES	NO OF RESPONDENTS	PERCENTAGE
YES	-	-
NO	50	100
TOTAL	**50**	**100**

SOURCE: Field Work

Customers complaints are not listened to as table 2.20 above reveals. All the 50 respondents which is 100 percent agree that customers complaints are not attended to by bank staff or management

TABLE 2.21

SHOULD BANKS OPEN ON SATURDAYS ?

RESPONSES	NO OF RESPONDENTS	PERCENTAGE
YES	50	100
NO	-	-
TOTAL	**50**	**100**

SOURCE: Field Work

All customers of banks want the banks to start extending operations to Saturdays. This opinion has an unanimous response from the 50 respondents as table 2.21 above shows.

TABLE 2.22

SHOULD BANKS EXTEND THEIR WORKING HOURS BEYOND 2.00PM ?

RESPONSES	NO OF RESPONDENTS	PERCENTAGE
YES	50	100
NO	-	-
TOTAL	**50**	**100**

SOURCE: Field Work

All customers of banks want the banks to extend their working hours beyond 2.00PM. Table 2.22 above shows that 100 percent of the sampled customers want this to come to reality.

4.3 DISCUSSIONS OF FINDINGS

The research findings relating to the developing and marketing commercial banks product/ services in Nigeria reveal that majority of banks in the country presently do not have formal marketing departments. This may be as a result of bank management being ignorant of the role of marketing can play to enhance the profit and service image of the industry. Table 1.0 shows that 19 respondents out of the 25 representing 76 %, agree to this assertion. Only 24 %, that is 6 respondents believe banks have marketing departments.

Banks staff do not know exactly what is marketing. This may be as a result of employing people who are not business oriented but those who have read courses that do not belong to the banking business. Information in table 1.1 shows that 40 % of respondents (bank staff) that is 10 out of the 25 respondents conceive marketing as selling of services, while 8 staff representing 32 percent see marketing as promotion, yet still another 16 percent from 4 respondent view marketing as market research. The meagre 12 percent who know what marketing is, that is including (advertising and sales promotion, personal selling, public relations etc) constitute only 3 out of the 25 respondents. Those shows clearly why banks are distressed in Nigeria, because where the marketing concept is practiced organization are bound to harvest bounties from the exercise.

Though bank staff do not know precisely what marketing is all about, all agree that marketing is relevant to the banking indus.. y as table 1.2 reveals.

Research is very necessary, if marketing is to be adopted successfully. However the conduct of research into what consumers (customers) want is not fully practiced by all banks. Table 1.3 shows that only 15 out of the 25 agree that research is conducted into customers needs as against 10 representing 40 percent of the sampled population. If banks intended to succeed they must start with all seriousness researching into the needs of customers. It in this research that helps management to identify the needs and wants of customers and to be able to know how to combine the variable (4ps) of the marketing mix to satisfy customers.

The importance of research cannot be over emphasized, as table 1.4 indicates that 68 percent of respondents that is 17 out of 25 staff see research as being very important and the remaining 32 still see it as important to bank business or management.

Table 1.5 clearly shows that customer enquiry is the main tool employed by staff of commercial banks to get information from customers as regards services rendered by banks on their behalf. Through this enquiry banks have received 76 percent favourable response from 19 percent favourable response from 19 out of the 25 respondents as against the 24

percent from 6 respondents of unfavorable response.

Most banks in the industry promote their services through advertisements as 20 out of the 25 sampled staff representing 80 % indicate. This is why the literature review and recommendations advise all those in the banking business to have marketing departments so that the department can adequately take care of all marketing activities.

The determination of the mode of promotion to use is the responsibility of bank management. 68% that is 17 out of the 25 respondents know this fact, however competition from other banks can also be a criterion as indicated by 32 percent of respondents that is 8 out of the 25. The factors considered for location range from a towns population, which has 24 percent from 6 respondents, to competition which has 20 percent from 5 respondents and (population, infrastructure and competition) combined having 56 percent from 14 respondents. Despite this response the actual approval of the location of a bank vert entirely with bank management, as all the 25 interviewers representing 100 percent indicate.

Even though marketing is not fully adopted one element of it (advertisement) has helped banks to get customers. Table 2.11 shows that 70 percent of customers must have made their choices of banks as a result or influence of advertisement. However, 20 percent that is 10

respondents have made their choices either by a friends recommendation or colleague.

The services provided by banks are not well known by customers of respective banks. This is because banks still have or are still practising the production concept.

Services such as travelers cheques and bills of negotiation are not known by many customers, In fact only 7 respondents out of the 50 representing 14 percent know about the existence of these two services respectively. Another 20 percent from 10 customers out of the 50 know that business advisory services are offered by commercial bank. Safe custody is not very popular with customers since only 12 percent that is 6 respondents are aware of its existence. The only popular service known a little more is foreign exchange which has 36 percent from 18 respondents.

Table2.14 shows that it is quite difficult to obtain services from banks. 45 respondents out of 50 representing 90 percent find it very difficult to get served. This is not surprising because when you visit banks you will find out that customers who have allies in the banks are served faster than one who know no one on the staff of the bank. This practice actually scares other people away from some banks.

The reasons most advanced for this kind of behaviour from bank staff is bribery and corruption which table 2.15 shows to have 50 percent from 25 out of the 50 respondents; to tribalism which has 30 percent from 15 respondents; to 20 percent from 10 respondents on red tapism. If banks do not change this attitude towards customers then they must soon realise that customers will seek other avenues for good service.

Facilities provided by banks for customers are not good as table 2.16 shows dissatisfaction from 40 out of the 50 respondents which represents 80 percent. It is a common sight to get into other banks and see that seats are not provided, and even when they are provided they are not comfortable for waiting. Facilities like toilets can hardly be seen in commercial banks in Nigeria, Newspapers are not provided for customers consumption. Banks have to start thinking seriously about changing there negative habits.

Table 2.17 and 2.18 show that customers do not join queues before getting services; and banks do not offer special services designed to particularly suit customers respectively. The main idea behind not joining queues is to allow for favourism form service staff and this furthers encourages corruption.

Attitude of bank staff ranges from courteous to very courteous for respondents.

Tables 2.20 glaringly shows that complaints from customers are not heeded by bank management. This is the entire opposite of the marketing concept, since the marketing concept recognizes the customers as king.

Tables 2.21 and 2.22 demonstrate that customers want operations of bank services to extend beyond 2.00pm as shown in table 2.22 and to include Saturdays as indicated in Table 2.21. In fact the two demands have 100 percent agreement from all the 50 respondents.

As has been pointed out earlier in the literature review, where marketing is practised there is expected to be customer satisfaction. The essence of customer-orientation is to satisfy customers by meeting their needs. From the findings it has been established that the needs of customers are not adequately met in terms of services rendered by the banks and the exclusion of the customers in the decision-making process as it affects them.

Finally, it can be said that these banks do not fully understand the role of marketing and its application is highly limited as stipulated in the reviewed literature and analyzed data.

4.4 ***Test of hypothesis***

Hypothesis I

Ho: That marketing is relevant to banking operations

Hi: That marketing is not relevant to banking operations.

The above hypothesis is aimed at determining if actually marketing has any relevance to the operation of banking business. The question which is used for testing this hypothesis is question 5 of questionnaire A (for bank staff) as tabulated in table 1.2 as reproduced below.

TABLE 1.2

IS MARKETINHG RELEVANT TO YOUR BANKING OPERATIONS

RESPONSES	**NO OF RESPONDENTS**	**PERCENTAGE**
YES	25	100
NO	-	-
TOTAL	**25**	**100**

SOURCE: Field work

In proving the above hypothesis, it has been established that marketing is relevant to banking operations. The table 1.2 above shows that all the 25 staff (respondents) are of this view. That gives a 100 percent acceptance.

Based on the above findings and discussion, the Null hypothesis is accepted while the Alternative hyothesis is rejected.

Hypothesis II

Ho: Customers have difficulty in getting bank services.

Hi: Customers do not have difficulty in getting bank services.

The response to question 5 of questionnaire B (for customers) as tabulated in table 2.14 will be used for testing this hypothesis.

The table is reproduced below for clearity and reference.

TABLE 2.14

DO YOU HAVE DIFFICULTY IN GETTING SERVICED

RESPONSES	NO OF RESPONDENTS	PERCENTAGE
YES	45	90
NO	5	10
TOTAL	**50**	**100**

SOURCE: Field work

The table above reveals that customers have dificulty in getting bank services. 45 out of the

50 customers (respondents) interviewed which represents 90 percent agree on this point; while only 5 out of the 50 respondents representing 10 percent are opposed to this view.

From the above findings and discussion of same, the Null hypothesis is accepted, while the Alternative hypothesis is rejected.

Hypothesis III

Ho: Customers complaints are attended to by bank staff (manangement).

Hi: Customers complaints are not attended to by bank staff (management).

For the proof of the above hypothesis question 12 of questionnaire B (for customers) will be used as tabulated in table 2.20 and reproduced below:

TABLE 2.20

ARE YOUR COMPLAINTS ATTENDED TO ?

RESPONSES	**NO OF RESPONDENTS**	**PERCENTAGE**
YES	-	-
NO	50	100
TOTAL	**50**	**100**

SOURCE: Field work

A careful examination of Table 2.20 clearly shows that customers complaints are not attended to by bank staff (management), all the 50 respondents are of the view unanimously

that their complaints are not listened to.

Based on the data presented which gives 100 percent negligent of customers complaints by bank staff; the Alternative hypothesis is accepted while the Null hypothesis is rejected.

APPENDIX I

DEVELOPING AND MARKETING COMMERCIAL BANK PRODUCTS/ SERVICES IN NIGERIA

Questionnaire A. (For Bank Staff)

1. Your name (Optional).....

2. Present Status (Optional).....

3. Does your bank have a formal marketing department? (Tick only one)

   a) Yes ( )

   b) No ( )

   If No which department is responsible for the marketing function ? .....

4. Marketing in your bank means

   a) Selling of services ( )

   b) Advertising and Sales promotion ( )

   c) market research ( )

   d) Public Relations ( )

e) All of the above ( )

f) Others (Specify) ( )

5. Is marketing relevant to your banking operations ?

a) Yes ( )

b) No ( )

c) Don't Know ( )

If yes, briefly state how relevant

.....

.....

6. Does your bank conduct research into customers needs ?

a) Yes ( )

b) No ( )

If No, briefly state why?.....

.....

.....

7. To what extent is researching into customers wants important to your bank?

a) Very Important ( )

b) Important ( )

c) Less important ( )

d) Not important ( )

e) Indifferent ( )

8. How do you get information from customers reactions on the services rendered to them ?

a) Sales force ( )

b) Mere observation ( )

c) Market survey ( )

d) Customer enquiry ( )

e) Others (specify) .....

9. What sort of response have you been receiving from your customers after providing them with the services?

a) Favourable ( )

b) Unfavourable ( )

10. How does your bank promote its services ?

a) Through advertisement ( )

b) Through personal selling ( )

c) Sales promotion ( )

d) All of the above ( )

e) Others (specify).....

11. How do you determine the mode of promotion to use?

a) Government ( )

b) Competition ( )

c) Customers ( )

d) Bank management ( )

e) Others (specify).....

12. What factors are taken into consideration when locating a branch?

a) Government influence ( )

b) Population ( )

c) Infrastructure ( )

d) Competition ( )

e) B,C and D above ( )

13. Who determines where a branch is located

a) Government ( )

b) Bank management ( )

c) Competitors ( )

d) Customers ( )

e) Others (specify).....

14. Any other comments on your bank's marketing activities.

.....

.....

APPENDIX II

DEVELOPING AND MARKETING COMMERCIAL BANK PRODUCTS/SERVICES IN NIGERIA.

Questionnaires B. (For customers)

1. a) Your name (optional) .....

   b) Occupation (optional).....

   c) Town .....

2. What made you choose this bank?

   a) Bank advertisement ( )

   b) Recommendation by friend ( )

   c) Bank Staff personal solicitation ( )

   d) Any other reasons (specify).....

3. Which of these banking services do you patronise?

   a) Current account ( )

b) Savings account ( )

c) Fixed account ( )

4. Which of these services offered by this bank are you aware of ?

a) Travellers Cheque ( )

b) Bills of negotiation ( )

c) Business advisory services ( )

d) Guarantee and Indemnities ( )

e) Safe custody ( )

f) Foreign exchange transaction ( )

g) Others (specify).....

5. Do you have difficulties in getting services such as loans ?

a) Yes ( )

b) No ( )

6. What is the cause for your been unable to secure loan from your bank.

a) No access to the Manager ( )

b) Red tapism ( )

c) Lack of collaterals ( )

d) Bribery and corruption ( )

e) Unfavourable references report ( )

f) Nepotism and Tribalism ( )

7. Which of the following gifts have you ever received from this bank?

a) Key holder ( )

b) Calender ( )

c) Diary ( )

d) Ball-point pen ( )

e) Others (specify).....

8. How would you rate the facilities provided by this bank for customers satisfaction (e.g bank interest, attending to complaints e.t.c)

a) Satisfied ( )

b) Not satisfied ( )

9. Do you join queues before getting bank services

a) Yes ( )

b) No ( )

10. Does this bank offer you any services particularly designed to suit your requirements

a) Yes ( )

b) No ( )

11. How do you rate the attitude of bank staff ?

a) Very unfriendly ( )

b) Unfriendly ( )

c) Courteous ( )

d) Indifferent ( )

e) Very courteous ( )

12. Are your complaints attended to?

a) Yes ( )

b) No ( )

13. Should Banks open on Saturdays?

a) Yes ( )

b) No ( )

14. Should Banks extend their working hours beyond 2.00 pm?

a) Yes ( )

b) No ( )

15. Any other comment on the present banking operations in the country?.....

16. What other services do you suggest this bank should offer?.....

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 SUMMARY

The age of specialization in financial services by particular institutions has changed to where most organizations offer a wide range of services in competition with each other consequently it has become essential to use all the resources and techniques that marketing can provide.

Marketing has become an essential element in the management of a modern bank. For every Nigerian bank, competition from other banks and financial services organizations grows more intensive and steadily more professional.

From the data collected and findings discussed, it is revealed that some management staff of the banks do not understand what is meant by marketing and most of them perceive the term marketing differently.

During the cause of this study, it has been found that the banks understudied had no formal marketing department. The marketing functions are performed by other departments such as public relations, corporate affairs and so on.

Furthermore, the researcher found that despite the fact that marketing has not been fully understood by banks' staff, banks understudied nonetheless applied marketing in marketing their services. It was also revealed that banks understudied provided purely commercial banking services just like others in the industry. However, key decisions relating to the type of services to offer, promotion, pricing and branch location are taken without the consideration to their customers.

This study was undertaken to examine the developing and marketing commercial bank services in Nigeria, to analyze the marketing efforts of some of the commercial banks in this country; and examine the extent to which marketing can improve the efficiency of banking services in Nigeria.

The researchers findings in this research work shows that marketing tools and technique are quite applicable to banking business as they are to the operations of non-banking business. Furthermore, the findings show that the potential consumers for majority of bank services in

Nigeria are aware of the range of services provided that effective marketing is required for higher customer satisfaction is well educated on the scope and nature of these services. In addition the researchers findings shows that though marketing principles and techniques are been applied in banking operations, yet most of the customers are not satisfied with present banking operations. However, there is much room for improvement in the application of the marketing tools and techniques.

5.2 CONCLUSION

This study has empirically investigated the application of marketing tools and techniques and it was found that they are quite applicable to the banking business as they are to the operation of non-banking business.

All business enterprises exist to offer products and or services to customers at a profit and these products and services have to be marketed. It has been established that the principles of marketing manufactured goods are similar in most aspects to that of marketing banking services. The difference is however in the application of these marketing principles.

However, the findings show that customers are not satisfied with the present banking

operations. Such banking operations as bank staff attitude towards customers, banks interest, operating hours and banking hall facilities while waiting, such as seats, toilets and good ventilation are inadequate.

It is therefore realistic to say, in the light of the findings of this study, that though commercial banks in Nigeria are applying marketing tools in their banking business, they can improve on their application of these marketing principles and techniques to enhance their efficiency and effectiveness of their banking operations vis-a-vis better customer satisfaction.

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5.3 RECOMMENDATIONS

In the light of the findings discussed in chapter four and the conclusions drawn in the preceding section, the researches wishes to recommend the following:

1. Banking is a personal service, as such commercial Banks should pay more attention to personal selling than they do presently. Banks should take personal selling out of their premises by approaching prospective customers with the aim of selling their services as in the case with insurance industry.

2. Formal marketing departments should be established by commercial banks to carry out marketing functions. The department should among others have the following divisions.

   a) Service Development Section which will be concerned with improving the existing service, identification of market demand and in conjunction with other part of the department(marketing), develop proposal for approval.

   b) Market Section which shall put into practice the principles of market segmentation by concentrating on the implementation through the branch network of business development campaign directed at clearly defined customer segmentation.

3. To facilitate further growth of the banking industry, the Nigerian government should stimulate the money market by introducing routine re-discount facilities, without which the banks would be unable to support medium and long term lending, that are urgently needed to develop the economy.

4. The authorities would also need to review the gearing of shareholders funds to loans and advances which is now pegged too low at 1:10, the ratio should be increased to

say 1:20 which will be appropriate to the needs of a developing economy.

5. A review of the tax levies in relation to the excess profit surcharged in order to facilitate the building-up of reserves needed by banks to further support the economy is very necessary

6. Barriers against banks participation in leasing and equity situation in industrial and commercial ventures should be removed.

7. Proper attention should be given to management and decision taking in the banking industry in Nigeria. Efficient credit financing, computerization, positive response to environmental conditions and changes there in, and customer service should be closely adhered to or practised.

8. Public support in tackling and reducing the spate of frauds and gorgeries in the banks must be taken seriously.

9. Banks should endeavour to review the procedures for opening of accounts, which are in some cases cumbersome. The minimum amount fixed for the opening of account

may also need to be reviewed for prospective customers with limited resources are encourage to inculcate good banking habits.

10. An independent research institution to offer guidance to banks, monitor their relative performance, determine the direction of their development and keep track of changes in banks practices that can serve the needs of Nigerians in the years that lie ahead should be established.

11. Banks should endeavour to monitor the degree of customers satisfaction in their services on a continuous basis. This can be done by designing questionnaires for customers to fill provision should be made in such questionnaires for customers to suggest ways in which the bank can improve its services.

12. More adequate facilities for waiting such as seats, toilets, good ventilation, daily newspapers, magazines should be provided for customers.

13. Commercial banks should extend their operating days to Saturdays and closing time to 4.00pm to enable civil servants and busy business executives to make withdrawals after closing from office.

may also need to be reviewed for prospective customers with limited resources are encourage to inculcate good banking habits.

10. An independent research institution to offer guidance to banks, monitor their relative performance, determine the direction of their development and keep track of changes in banks practices that can serve the needs of Nigerians in the years that lie ahead should be established.

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12. More adequate facilities for waiting such as seats, toilets, good ventilation, daily newspapers, magazines should be provided for customers.

13. Commercial banks should extend their operating days to Saturdays and closing time to 4.00pm to enable civil servants and busy business executives to make withdrawals after closing from office.

14. Bank staff should be given marketing trainings as to enable its application to enhance both profit maximization and customer loyalty and satisfaction.

15. The marketing department should adopt the customer-orientation concept. The integration of the marketing activities must be gradual in order to win extensive acceptance by the other departments of the organization.

16. Contigency arrangement should be made to handle situations like long queue, noticed during weekends, month endings, eve of sallahs, Christmas, Easter holiday, new year and so on. This can be done by creating additional facilities to accommodate the customers anticipation.

It is hoped that the implementation of these recommendations will solve some of these problems encountered by customers and generally improve some services offered by commercial banks in the country.

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