## ANALYSIS OF THE RELATIONSHIP BETWEEN RELATIONSHIP MARKETING AND CUSTOMER RETENTION IN NIGERIAN BANKING INDUSTRY



THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENT FOR THE GRADUATE SCHOOL
MASTER OF BUSINESS ADMINISTRATION IN
STAMFORD INTERNATIONAL UNIVERSITY
ACADEMIC YEAR 2014

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# The Research has been approved by Stamford International University The Graduate School

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**Title:** Analysis of the Relationship between Relationship Marketing and

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#### **Abstract**

This study analyses the relationship between relationship marketing and customer retention in Nigerian banking sector. The objectives of this study are: (1) To examine the factors that influence relationship marketing in building long term relationship with customers in order to retain them.(2) To evaluate the way relationship marketing is being applied in Nigerian banking sector. (3) To assess the impact of customer service on customer satisfaction and (4) To identify the challenges experienced by banks in the application of relationship marketing.

A qualitative research approach was chosen and inductive method was used in order to have a better understanding of relationship marketing and customer retention in Nigerian banking industry. The data for the study were gathered through interview with 10 bank managers selected out of the 21 banks in Nigeria and 2 focus groups made up of customers in each group drawn from the 10 banks selected. The data was analyzed using content analysis.

The findings reveal that a lot of factors influence relationship marketing in order to retain customers. The most popular factors are: Good customer service, trust, commitment and effective communication. On the practice of relationship marketing, the findings further indicate that relationship marketing is still at a developmental stage in Nigeria banking sector. The findings also indicate that good customer service is indispensable in creating the desired satisfaction required for customer retention. Also several challenges were identified as the major setbacks experienced by banks in the application of relationship marketing and customer retention strategies in which service failure and regulations from the Central bank of Nigeria and government were found to be the most crucial.

**Keywords:** Relationship Marketing, Customer Retention, Customer Relationship Management, Customer Service, Banking Industry.

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#### **CHAPTER 1**

#### INTRODUCTION

This research is a report of the study on relationship marketing and customer retention with reference to Nigerian banking industry. The study was based primarily upon what has happened in the past and what is happening presently in Nigerian banking sector. This first chapter of the thesis presents the background of the study, specifies the problems of the study, identifies the research objectives and describes the significance of the study. The chapter concludes by noting the scope and limitations of the study and defining some special terms used.

#### 1.1 Background of the study

In today's competitive market place, relationship marketing and customer retention are critical to the conduct of business, and banking industry is not an exception. As a result, there is need for in-depth and integrated customer knowledge in order to build close cooperative and partnering relationships with customers. Relationship marketing has therefore attracted an expanded attention of practitioners and scholars. It is in view of the above that this study is poised with examining relationship marketing in Nigerian banking sector. At this juncture therefore, it will be useful to describe the developments that have occurred in the past and also the present developments at the time that influenced the study.

#### 1.1.1. An Overview of banking Sector in Nigeria.

The Nigerian banking environment amidst myriads of problems, deficiencies and constraints is one of the most dynamic systems in the world of emerging economies of Africa and Asia. The banking system has undergone several stages of reformation and is still witnessing revolutionary metamorphosis in recent years. For instance, from the era of lawless or free banking and minimal control as seen between 1962 to 1969: from the era of banking consolidation as in the period between 1969 to 1975 to the era of Okigbo Financial System Reforms (1976- 1985); from the era of structural adjustment program (SAP) of 1986- 1990 to the post SAP era (1991- 1998) which characterized more and more deregulatory policies compared to what was obtainable between 1970 to 1985. The current period, from 1999 to date can be described as an era of universal banking (Chinedu, Edith and Michael, 2012).

In the past, business transactions in Nigerian banks used to be very frustrating. The industry has been characterized by many problems that have badly affected customer loyalty and retention over the years. Banks fell short of the expectations of their customers with the common experience of very long and winding queues extending several kilometers outside the banking halls. Other challenges experienced by customers range from unnecessary delays, non- availability of staff at service points, stock out, unprofessional conduct or rudeness by the staff of the bank, failed promises to customers and poor standard of records or improper information, among others (Ebhodagbe, 1996; Okoduwa, 1995).

The introduction of Structural Adjustment Program (SAP) between 1986 and 1993 led to the increase in number of banks in Nigeria from 41 to 102 banks as licenses were issued to financial institutions (Central Bank of Nigeria, 1995). Most of these banks were not customer focused but more of centers where currencies are exchanged and they survived by simply selling foreign exchange (Uche, 1996). The banks later intensified the marketing of services only when the government removed most distortions in the foreign exchange market which made currency trading difficult (Ehigie, 2006).

The banking service system in Nigeria has been epitomized with failures which have led to the industry witnessing collapse of banking firms in the country, thereby threatening the fate of customers on its services. Out of 102 commercial and merchant banks in Nigeria, 50 banks became liquidated (Okoduwa, 1995). In 1998 alone, 26 banks were liquidated (Uche, 1996).Bank financial reports show that in 1993 a total asset of N55.1 billion was lost to bank liquidation; in 1994 it was N73.1 billion assets lost; in 1995, N95.6 billion assets were lost (Ebhodaghe, 1996). This led to customer's loss of fate in bank services and started patronizing capital market. Presently the introduction of recapitalization in the banking sector has led to merger and acquisition and customer's loyalty is further threatened.

The capitalization process started in 2004 when Central Bank of Nigeria (CBN) announced that banks operating in Nigeria had to consolidate their capital base by N25 Billion. "The problems facing most Nigerian banks include persistence, illiquidation, poor asset quality and unprofitable operations" (Soludo, 2004: 21). Nigerian banks at this time seemed wholly dependent on government and government

owned parastatals. The implication of this in Soludo's view were that in as much as the resources of such banks cannot contribute positively to the economy, their operations are highly susceptible to uncertainty of the international market. Similarly, Adegbagu and Olokoyo (2008) submitted that the reformation and recapitalization of the banking sector in Nigeria was triggered off by the urgent need to avert and overturn impending banking crises looming in the sector and subsequent failures that might occur. A banking crisis as a result of weak banking system characterized by persistent illiquidity, insolvency, undercapitalization, high level of non- performing loans and weak corporate governance, among others. On this note therefore, the minimum capitalization base of N25 Billion for banking institutions in Nigeria was introduced by the Central Bank of Nigeria to meet up with the demands of the customers. This was expected to be fully complied with before the end of year 2005, with a view to enhancing bank efficiency, size and developmental rates (Nwankwo, 2013: 73).

The exercise therefore required affected banks to make strategic decisions on how to consolidate either through merger or whether to be acquired by the stronger banks. The emergency of bank consolidation in Nigerian banking sector during the year 2004 and 2005 brought about the reduction of the number of Nigerian deposit money banks to 25 as at December 31, 2005 and further reduced to 24, through merger and acquisition in 2008 (Adekoya and Oyatoye, 2007). As of 2012, 21commercial banks with strong capital base were produced out of 89 banks which hitherto have been in existence in Nigeria before 2004 (Nwankwo, 2013: 73). Table 1.1 shows the list of Nigerian banks.

**Table 1.1** List of Banks in Nigeria

S/N	Names of Banks
1	Access Bank Plc
2	Citi Bank Nigerian Limited
3	Diamond Bank Plc
4	Eco Bank Nigeria Plc
5	Enterprise bank
6	Fidelity Bank Plc
7	First Bank of Nigeria Plc
8	First City Monument Bank Plc
9	Guaranteed Trust Bank Plc

Table 1.1 List of Banks in Nigeria (Cont.)

S/N	Names of Banks	
10	Heritage Banking Company Ltd	
11	Key Stone Bank	
12	Mainstreet Bank Ltd	
13	Skye Bank Plc	
14	Stanbic IBTC Bank Ltd	
15	Standard Chartered Bank Ltd	
16	Sterling Bank Plc	
17	Union Bank of Nigeria Plc	
18	United Bank for Africa Plc	
19	Unity Bank Plc	
20	Wema Bank Plc	
21	Zenith Bank Plc	

Source: Central Bank of Nigeria, 2015

However, the consolidation reform triggered of a lot of challenges in the banking sector. For instance, changes in placements which made bankers job unstable. There were continuous job cut in the banking industry and this thus, has the tendency to make employees less committed to their jobs. The thirteen non-consolidated banks were dissolved and their operating licenses withdrawn. The implication was that all their employees had lost their jobs (Fanimo, 2006). In the merger and acquisition, the welfare of the employees were downplayed, dealing with employee resistance to change, loss of commitment to job, redundancy, and employee turnover with concomitant loss of key talents, treating human capital as cost, imbalance pay setting and post-merger fits (Omokhodion, 2009 cited in Ernest, 2012). The implication is that quality of services rendered to customers is at stake.

The consolidation exercise has also heightened the tempo of competition among surviving banks. To maximize returns and ensure profit maximization in the light of the stiff competitive challenges occasioned by consolidation program, there is urgent need for banks to offer innovative products and services to their market place plus new ways of delivering them (Akpan, 2009). In a similar vein, Soludo (2008) affirmed that the competitive atmosphere created by the consolidation reform in the Nigerian banking environment calls for crucial filling of gabs in the in the resources and capabilities stock allocations of the banks to develop effective banking services. According to Ernest (2012), "presently customers possess a higher level of education and are more discriminating in their purchases, and are more willing to try new

products and services. Customer's traits are constantly changing; banks that fail to keep abreast with such changing customer demands are missing sales opportunity". For banks to be successful they need to adapt to the needs and wants of customers and offer services that will attract them considering the level of competition in the industry.

Banking industry is highly competitive, with banks not only competing among each other but also with non- banks and other financial institutions. The products and services are identical and are easy to duplicate, the only way to distinguish themselves is in terms of price and quality and the way they render their services. Therefore, customer retention through relationship marketing is potentially an effective tool that can be used to gain strategic advantage over others to survive in today's everincreasing banking competitive environment (Hull, 2002).

Since customer loyalty has been threatened by the introduction of recapitalization in the banking sector, this research on relationship marketing and customer retention becomes significant in the Nigerian banking industry; to identify the factors that could enhance customer retention.

#### 1.2 Statement of the Problem

Since the country began its economic and financial reform program, The Nigerian banking business has come a long way. The number of financial institutions has escalated quickly, a significant number of foreign banks have opened offices, hence the development of confidence in the Nigerian banking system. This led to an increase in the tempo of competition in the financial sector.

There is also poor knowledge of the concept of relationship marketing in Nigerian banking sector. Now, customers are seen as the reason why so many businesses exist, therefore several strategies have been attempted to retain customers. However, as such innovations are frequently imitated by competitors; it has been argued that a more active approach for banks is to focus on less tangible and less easy-to-imitate determinants of customer retention such as relationship marketing. For instance, bank products are virtually the same; therefore banks will find it difficult to compete on this core service.

Furthermore, customer expectations have been changing tremendously over the decades. This was ignited by new technology and the growing availability of advanced product features and services, customer expectations are changing almost on a daily basis. Consumers are no longer willing to make compromises or trade-offs in product and service quality. In a world of ever changing customer expectations, building cooperative and collaborative relationships with customers seems to be the most prudent way to keep track of their changing expectations and appropriately influencing them (Sheth and Sisodia, 1995).

Relationship marketing has been advocated as an excellent way for banks to establish a unique long-term relationship with their customers especially in the increasing competitive nature of the global financial world today. This will go a long way to improve customer retention as several studies have indicated that retaining customers perhaps offers a more sustainable competitive advantage than acquiring new ones. Hence the realization of marketers that it costs less to retain customers than to compete for new ones (Kotler and Armstrong (2010).

For Nigerian banking industry to gain a competitive advantage right in the local market, there is a need for them to keep improving the system as a whole and quality of services they provide. It is on this note that this study aims at providing some insights into relationship marketing and customer retention in the financial sector of Nigeria.

#### 1.3 Research Questions

- 1. What are the major factors that influence relationship marketing in building long- term relationship in order to retain customers?
- 2. How has relationship marketing been applied in Nigerian banking system to improve customer retention?
  - 3. What is the impact of customer service in increasing customer satisfaction?
- 4. What are the challenges experienced in the application of relationship marketing strategies?

#### 1.4 Research Objectives

This research aims at analyzing, bringing deeper understanding and better insight into the way relationship marketing is practiced in Nigerian Banking Sector.

Therefore, the main objectives of this research are stated as follows:

- 1. To examine the major factors that influence relationship marketing in building long-term relationships in order to retain customers.
- 2. To evaluate the way relationship marketing is being applied in Nigerian banking system to improve customer retention.
- 3. To assess the impact of customer service in increasing customer satisfaction.
- 4. To identify the challenges experienced by banks in the application of relationship marketing.

#### 1.5 Significance of the study

Studies in customer relationship marketing globally have gained attraction and expanded attention in recent times among practitioners and scholars. Many organizations around the world are adopting customer- centered strategies, programs, tools, and technology for efficient and effective customer relationship marketing

Banks in Nigeria are shifting from the traditional banking system of marketing bank products to relationship marketing due to the level of competitive challenges among banks though still faced with a lot of challenges. With high level of competition in Nigerian banking industry, customer retention becomes one of the major challenges for banks. There is also poor knowledge of relationship marketing; customer's expectations are increasingly changing and there are incidences of poor customer service in Nigerian banking sector which makes customer retention further impossible. Researches have proven that the cost of attracting new customers is much more than retaining existing ones. Hence there is need to enrich customer day to day experience and avoiding the chances of customer exit.

It is in this vein that this study becomes significant, timely and relevant, given the growing nature of the services economy globally, it is therefore anticipated that the results of this research places both the bank and the public sector at advantageous position. This research will benefit top management of Nigerian banks because they can make the findings from this research the basis of formulating their strategic plans. In the inquiry conducted, factors that have contributed to the slow pace of relationship marketing development in Nigerian banking system and the strategies that can be applied to dispel these militating variables were identified. This will help the

management of banks to have a re-think on their entire operation and formulate marketing strategies that will take into consideration the model that has been developed in this research. This not only helps banks in the area of customer retention in a competitive environment but also ensures profit maximization.

This research will also benefit the public sector in the sense that it will help banks to fully understand their responsibilities towards improving and ensuring effective and efficient customer service and customer management system. With this in place customers will be introduced to the right products and services which addresses their preferences, expectations and reflect their desires.

Moreover, the results of this study will help to identify and enrich gaps in knowledge in the area of relationship marketing in Nigerian banking industry, increase its awareness and immensely contribute to narrowing gaps in knowledge in relationship marketing and customer retention.

#### 1.6 Scope and limitations of the study

This research is focused on the factors that influence relationship marketing and customer retention in Nigerian banking sector. These issues are examined from the perspective of the management and from the customer's perspective. This study is not directed towards the effects of relationship marketing on bank's performance but focused on customer retention and satisfaction through customer service.

Findings from the present study cannot be generalized to other financial services, or banking services in other cultural environment. Researchers could therefore attempt at conducting a research on this present topic with other financial services industries. Since this present research focused on general banking services, more specific research could put into considerations each of the services provided in the banking industry, like current, savings, and electronic accounts. It will also be of interest to researchers to carry out this study in another sector other than the banking industry.

The respondent samples for this study were drawn from managerial level in banking industry which includes bank managers because of their experience and focus groups drawn from customers of the selected banks. There was a limitation of time, where the researcher has to work on daily basis to meet up with the time required for

the delivery of this study. Nigerian banking sector was chosen for this study which poses a major challenge because of the distance and the cost of travel.

#### 1.7 Definition of Terms

**Relationship Marketing:** Relationship marketing involves creating, maintaining, and enhancing strong relationships with customers and other stakeholders. Its goal is to deliver long-term value to customers and focuses on keeping the customer rather getting customers. It is based on retention of customer's loyalty and emphasizes a long term relationship.

Customer Retention: An assessment of the product or service quality provided by a business that measures how loyal its customers are. It is the act of keeping customers rather than losing them. It deals with more than giving the customer what they expect but exceeding their expectations so that they become loyal advocates of the organization. It's all about attracting the right customers and getting them to buy often and stick to a company

**Banking Industry**: Banking industry is a group of banks offering similar services. It refers to financial organizations that accepts deposits and directs the money into lending activities. In general terms, it is where the business of accepting and protecting money owned by other people and entities and then giving out as loan in order to earn a profit, is conducted.

**Bank consolidation:** Refers to the process whereby a bank merges or takes over another to meet a specific requirement or agreement.

**Bank Recapitalization:** It is restructuring a bank's debt and equity n most often with the aim of making a bank's capital structure more stable.

#### **CHAPTER 2**

#### LITERATURE REVIEWS

This chapter presents a review of literature based on the objectives of this study. This involves reviewing concepts, theories and studies earlier conducted by researchers on Relationship Marketing and Customer Retention in different perspectives.

This chapter reviews the relevant literature in seven major segments. The first part explores the findings regarding the concept of relationship marketing, the development of relationship marketing, the benefits of relationship marketing to organizations and customers; the second part discusses the major relationship marketing constructs; the third part considers studies regarding customer relationship management; the fourth part deals with customer service; the fifth part discusses customer satisfaction; the sixth part is about customer loyalty; the seventh part looks into customer retention and the final part explores related researches. This primary classification of documented research provides the foundation on which the body of literature is formed.

#### 2.1 The concept of Relationship Marketing

The idea about marketing is gradually changing, moving towards the direction of developing and maintaining long term relationship beneficial to both parties, instead of the usual development and selling of products (Buttle, 1996). The concept of relationship marketing has drawn the attention of researchers in the field of marketing over the years. As a result it has been looked into and thoroughly studied from different angles revealing its significance to the establishment of long lasting intimate relationship with the aim of customer retention instead of short- term and discrete nature of relationship witnessed in the past. The aim of relationship marketing is to deliver sustainable high level of customer satisfaction and retention through meaningful relationship (Ravald and Gronroos, 1996). The emphasis of relationship marketing is on retaining customers rather than acquiring them.

The business environment of today is severely competitive in the sense that marketers are very aggressive in their pursuit of day to day business, making every effort at their disposal to attract customers, trying hard to know them and establish a long term relationship with them in order to serve them better. The importance of relationship cannot be neglected because it is the bedrock of marketing and business activities as identified by many researchers and authors (Tynan, 1999). Relationship marketing is the approach used by firms to gain competitive advantage (Takala and Uusitalo, 1996). In order to survive in a developed market with severe competition, firms no longer rely on attracting new customers and increasing their customer base but on maintaining sustainable long term relationships with stakeholders as the market is speedily growing (De Madariaga and Valor, 2007). Relationship marketing focuses on customer retention as its main goal. Relationship marketing has been viewed by researchers and scholars in the field of marketing as a paradigm shift after identifying the short falls of the dominant marketing mix (Gronroos, 1991).

In the views of Kotler and Armstrong (2010) "Relationship Marketing involves creating, maintaining, and enhancing strong relationships with customers and other stakeholders". This definition put forward by Kotler and Armstrong emphasizes the delivery of value to customers on long term basis which is predicated on long term customer satisfaction. Relationship marketing is about establishing a long term relationship with customers. The end product is customer loyalty and customer retention by improving customers experience, enhancing communication and collecting useful information about customers. (Patsioura, Vlachopoulou, and Manthou, 2009). Relationship marketing is aimed at enhancing customer loyalty which Oliver (1999) sees as strong feeling of commitment that spurs the customer in to purchasing a particular product or service over and over again in spite of influences from competitors. A firm is said to be involved in relationship marketing when it is making every efforts towards creating, developing and maintaining adequate communication and mutually beneficial relationship on long term basis with customers (Sin, Leo, Tse, Alan, Yau, Oliver, Raymond, Chow, Jenny, and Lee. 2005)

According to Ismail (2009) relationship marketing focuses on establishing a relationship with customers that hinges on social bonding, cooperation, mutually solving problems, sharing values and making sure the relationship is mutually beneficial. He sees relationship marketing from another point of view since most existing researches have been emphasizing on the gain derived by organizations from

relationship marketing without considering the benefits to customers. He argued that relationship marketing should be viewed from a mutually beneficial perspective. For there to be a meaningful relationship with all sense of seriousness and commitment, there is need for the two parties to benefit from the relationship. In the views of Karin, Hartley and Rudelius (2009) relationship marketing aims at developing and maintaining good relationship with customers, staff and other stakeholders with a linkage among them for the purpose of having a long lasting relationship which is mutually beneficial. There is need to link these long lasting mutual benefits to all the stakeholders involved in the business such as employees, suppliers, partners, wholesalers, retailers especially in a manufacturing industry. In some sectors, relationship marketing is more viable especially when communication channel has been already established among partners (Karin et al, 2009).

When relationship marketing strategies are successfully applied it enables managers to identify the needs of the customers and be able to serve them accordingly. Relationship marketing gives customers the ability to maintain one provider, enjoy customized services according to customers' specifications without stress as a result of frequent purchases, and no switching costs. Berry, (1995) noted that there is need to balance the relationship between organizations and customers in the area of loyalty, mutual benefits and respect for privacy. Relationship marketing focuses on building mutually beneficial relationships with several key stakeholders with the aim of retaining businesses (Gummesson, 1999). Kotler and Kelly, (2009) identified four major components in relationship marketing which involves customers, employees, marketing partners such as suppliers, distributors, agencies and dealers and people like the shareholders, investors and analysts etc. who form part of the financial community. In order to ensure strong relationship in these component areas, it is therefore required that organizations must have a perfect knowledge of their capabilities and resources, preferences, goals, and set up policies, programs and strategies to create balance value in these components. Kotler, Armstrong, Saunders, and Wong (1999) observed that acquiring new customers takes much and costs about five times than making efforts to ensure the retention of the ones already in existence. Relationship marketing comprises of various efforts put forward by firms aimed at incorporating and integrating customers and other stakeholders such as, suppliers,

retailers etc. into the entire firm's marketing process and developmental plans. This is a kind of interdependence relationship that focuses on cooperation rather than competition and conflict as seen in the transactional mode of business operation.

Gordon (1998) defines relationship marketing as a set of activities involved in finding out specific customers and creating value with them over a long period of time of business interaction. It has to do with managing an existing relationship between service providers and their selected customers with the aim of creating mutually exclusive value sharing benefits over time. Perrien, Filiatrault, and Ricard(1992) looking at relationship marketing in financial services sector observed that the severe competitive nature of business environment of today has left financial institutions with no other option than to re-strategize and focus on establishing long—term based relationship with customers. However it has been observed that relationship marketing has not been fully applied in many financial institutions across the world due to the level of their development and knowledge.

Theories in relationship marketing stipulate that the success of relationship marketing comes as a result of successful cooperative relational exchanges that must have taken place between institutions and their customers (Hunt, Arnett and Madhavaram, 2005). According to Arnett and Badrinarayan (2005) relationship marketing is conceptualized as the capability of an institution to identify key customers, develop a relationship with them which is based on trust, commitment and effective communication and ensure effective management of such relationship. Relationship marketing provides institutions with the proper knowledge of the behaviors of customers and their appropriate value through technology and resources. Relationship marketing when efficiently and effectively applied could earn a lot of benefits for an institution. It helps an organization to have a more effective customer service, call centers are more empowered, makes the work of the sales team easier by concluding business deals faster, find new customers, increase revenue, etc. (Ababio and Atiwoto, 2012).

Relationship marketing is seen as a way out in a competitive pressured business environment, as the mode of conducting businesses are significantly changing from the traditional transactional mode to a more relationship based mode. Therefore companies, firms, organizations should direct their efforts, strategies and

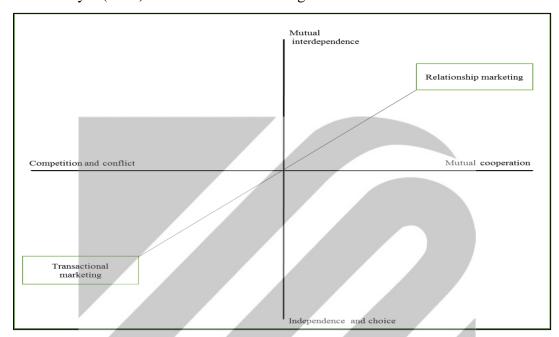
plans towards developing a more meaningful cooperative relationship with customers ensuring trust, strong commitment to service, proper handling of customers' problems, effective communication and management of the entire relationship process so as to adapt suitably in the present competitive business atmosphere.

#### 2.1.1 Development of Relationship Marketing from Transaction to Relationship

The emergence of Relationship marketing took place in the 1980s as a paradigm shift from the existing knowledge of marketing as a set of transactions. Relationship marketing came in as an alternative because of the relational nature of some businesses especially in the services industry. It was first used by Berry in 1983 and initially meant to be for business to business and in the services sector because of the need for closer relationship and due to their unique features. Relationship marketing emphasizes on relationship and not on transactions. Gronroos (1994) argued that the traditional view of marketing has some limitations and does not consider some activities that are prevalent throughout the lifecycle of customer relationship especially in services industry. The characteristics of the existing traditional marketing process is too limited to bring about the desired long term based relationship between the service providers and their customers (Zineldin, Johannisson and Dandridge 1997). As a result of the developments in the society today, marketing is now seen from relationship perspective and not from the transactional perspective which has been found to be narrow. The 4Ps of marketing mix domination of marketing process for over three decades and its limitations emerged when changes began to occur in the society. Consequent upon this, relationship marketing was borne out of the limitations of the existing nature of marketing and to serve as a solution to put personal relationships in business process into consideration.

According to Lovelock and Wirtz (2004) transaction is an exchange of value that occurs among partners. The authors argue that the number of times transactions occur does not guarantee a relationship which takes into consideration knowledge about each other mutual recognition. No reasonable marketing or business relationship can be established where the transaction between a firm and its customers are not know, without any form of record about customers transaction history and no mutual recognition. The development of relationship marketing emerged as a major shift in marketing that occurs from competition and conflict, and choice

interdependence as characterized by the existing marketing mix to mutual cooperation and mutual interdependence as found in relationship marketing respectively (Sheth and Parvatiyar (1995). This is illustrated in Fig. 2.1 below:



**Figure 2.1** Axioms of Transactional Marketing and Relationship Marketing **Source:** Sheth and Parvatiyar, 1995

In transactional marketing it is believed that the major factors that bring about value creation is competition and self-interest. It is also widely held in transactional marketing that competition helps the buyer to make a choice of service provider and this gives the marketing team or sales unit the opportunity to create more value for their organization. However, this axiom of competition has been opposed by the relationship marketing authors who are projecting the view that mutual cooperation creates more value and more productive than the widely held views about competition and conflict (Morgan and Hunt, 1994; Kohn, 1986).

The second axiom of transactional marketing is that they believe that if marketers are independent in their choice of partners, it gives them the opportunity to have a viable system capable of distributing and creating value (Sheth and Parvatiyar, 1995). The independence of choice among marketers in transactional marketing is believed to be a necessary factor which grants marketers the chance to make a choice of partners at will with the aim of protecting their personal interest enshrined in the

company's goals and objectives. This according to them leads to reduction in the cost of purchases through negotiations and bidding but this view has been seriously refuted (Williamson, 1975 cited in Sheth and Parvatiyar, 1995).

Table 2.1 Comparison between Transaction Marketing and Relationship Marketing

The strategy continuum	Transactional marketing	Relationship marketing
Time frame Market Domination function	Short-term basis Marketing mix	Long- term basis Integrated marketing (supported by marketing mix activities)
Price elasticity	Customers are more concerned about price	Customers are less concerned about price
Dominating quality Dimension	Quality of output (technical quality dimension) is dominating	Quality of interaction (functional quality dimension) grows in importance and may become dominating
Measurement of customer satisfaction Customer information System	Monitoring of market share (indirect approach) Ad hoc customer satisfaction surveys	Managing the customer base (Direct approach) Real- time customer feedback system
Independency between marketing, operation and personnel	Interface of no or limited strategic importance	Interface of substantial strategic importance
The role of internal Marketing	Internal marketing of no or limited importance to success	Internal marketing of substantial strategic importance to success

Source: Adapted from Gronroos, 1994.

The proponents of relationship marketing believe that there is a cost associated with every transaction, in the area of search, bargaining and other activities which further help to aggravate the cost, therefore instead of a reduced cost as the proponents of transactional marketing believe, the cost rather increases thereby making the system inefficient. Therefore, relationship marketers believe that in interdependency which according to them decreases the cost of associated with transactions and induces high quality transactions. Relationship marketing therefore on this note aims at improving productivity in marketing through effective and efficient relationship (Sheth and Sodia, 1995). Table 2.1 illustrates the comparison between transaction marketing and relationship marketing.

In spite of the fact that relationship marketing emphasizes on long term relationship, it does not mean that short term relationships are not welcomed because it depends on the need at the moment. In all, it is important to note according to Doyle (2002) the three cornerstones of relationship marketing are planning and controlling the satisfaction of customers' needs and aspirations, building and maintaining solid relationships and finally, managing customer value.

#### 2.1.2 Benefits of Relationship marketing

The aim of relationship marketing is to establish a mutual long term relationship between customers and companies. Therefore it will be necessary to highlight the benefits of relationship marketing for businesses and customers as follows:

For companies, they benefit a lot from having a long term relationship with customers and other stakeholders because long term relationship enables them to have a deeper understanding of their customers and their expectations which helps companies to improve and have a customized service. To Gale (1994), relationship marketing helps companies to deliver superior value and quality service to customers. The main aim of marketing activities of organizations for profit maximization, which maintaining a relational exchange with customers over time ensures (Marzo-Narvarro, Pedraja-Iglesia and Rivera- Torres, 2004). The essence of centering business strategies on retaining customers is to ensure customer loyalty; this is based on the belief that it is more profitable to maintain existing customers than acquiring new ones, this also have positive effect on the firm's profitability (Reichheld and Sasser, 1990).

According to Barnes, Fox, and Morris, (2004) customer loyalty earned through relationship marketing leads to a positive outcome in business, this is based on the reason that marketing cost can be decreased, satisfied customers generate effective word of mouth advertisement that speaks good of the image of the firm and this makes it hard for competitors to penetrate. When companies deliver satisfactory products and services customers will likely be serious and committed to establish and maintain relationship with them especially when it concerns business to customers (Morgan and Hunt, 1994). If relationship marketing is applied with the aim of retaining customers and creating value for them, it brings a lot of benefits to

organizations in the following ways as highlighted by Christopher, Payne, and Ballantyne (2002) as follows:

- When customers are satisfied they become insensitive to price and will be willing to pay any price as long as they trust their service providers.
- Relationship marketing provides a solid ground for competitive advantage because of its integrative nature to marketing, services and quality.
- Long term customers have the tendency to buy frequently thereby reducing service cost.
- Customers retained over a period of time provide word of mouth advertisement and refer other people.
- Long-term customers stick to the relationship with their service provider thereby making it impossible for competitors to penetrate.
- When customers are happy it psychologically transfers to the employee and better output is ensured.

On the part of the customers, customers are the main reason why a lot of businesses still exist today. They are the centerpiece of relationship marketing, that is to say that all relationship marketing activities are directed towards making customer experience better while trying to identify and meet their expectations. Therefore they have a lot of benefits from relationship marketing. Since the major aim of relationship marketing is to establish, build and maintain long term relationship with customers, it therefore means that it should be seen from their perspective. For a long term relationship to be established companies tend to make a lot of promises to customers which are on the other hand renewed as the relationship matures for the benefit of customer (Gronroos, 1990). Without customers benefiting from a relationship, all relationship marketing activities, strategies or efforts will be futile; therefore implementation of relationship marketing by firms will be greatly be affected by the perception of customers on their offerings. A lot of benefits of relationship marketing have been highlighted by researchers. There are psychological benefits which emanates from having a cordial relationship and social benefits which emanates from familiarity, recognizing each other on personal basis, and having a feeling of

friendship as identified by Gwinmer, Gremler, and Bitner (1998) and Buttle, (1996). There are also economic benefits as identified by Peterson, (1995) such as discount prices, reductions as a result of customer loyalty programs. Service providers also tend to fashion their products and services to suit the expectations of customers in terms of their prerequisite, specifications and preferences. As a result, offerings may be customized to benefit customers (Berry, 1995).

On the other hand customers' confidence is increased because of their belief that there are reduced risks, economic and social advantages, and efficiency in the entire operation as a result of their intimate relationship with their service providers (Marzo-Narvarro, 2004). There is need for service providers to realize how important is it to manage relationship marketing in a way that will enhance customer benefits. Alexander and Colgate (2000) advocates for a system whereby trustworthiness, commitment, effective communication, mutual respect and prioritization of partners' interest will be greatly enhanced in a business relationship; this goes further to show how important these factors are in building a long term relationship predicated on relationship marketing. In view of this therefore various relationship marketing constructs will be discussed because of their important roles in relationship marketing.

#### 2.1.3 Relationship Marketing in Banking Industry

The financial world today is changing and there has been considerably increased level of competition, therefore relationship marketing has been recommended as a good way through which banks can establish a meaningful long term relationship with their customers. In banking industry, the importance of the way banks refer their products and services and its significance to the economy should not be neglected. There can be new dimension to the marketing strategies used by banks to shift their attention from normal transaction-based approaches to more relationship marketing. Relationship marketing endeavors to establish a close relationship with customers by showing commitment and appealing to their personalities (lee and carter, 2005). For there to be customer loyalty and good customer relationship, there is need to install trust, communication and commitment between the two parties.

Adoption of relationship marketing provides an opportunity for banks as it is aimed at creating, maintaining and improving the loyalty of customers on long term

basis. Therefore, it is necessary to take cognizance of the satisfaction of customers as well as bank's profit (Gordon, 1998). In relationship marketing, the main objective of banks has been to satisfy customers by creating and delivering profitable services to them. It is believed that a customer-centric bank makes profit by identifying and satisfying the needs and preferences of their customers throughout the number of years or relationship life. Researches on relationship marketing have developed over the years since its emergence in the 1990s (Perrien et al, 1992; 1993). Establishing and nurturing long term relationship with specific customers has been suggested and recommended as a viable means of surviving in today's competitive banking environment and for sustained long term profitability.

Boot and Thakor (2000) advocated for relationship orientation among banks as an exceptional weapon to ease competitive tendencies and to differentiate them from the competitors; though competition is welcomed in the sense that it can force banks to pay more attention to customers by customizing their services to suit the expectations and preferences of customers, thus emphasizing on building relationship. Authors believe that relationship banking is not an easy task as it has a lot to it than just selling. It is simply a strategic move with antecedent implications on the management. In order to have a solidified foundation of relationship marketing in the banking industry, there is need to develop many banking policies, plans, missions, processes, programs, procedures, strategies and organizational structure in the organization capable of establishing customer- centered business culture, promoting continuous and mutually satisfying commitment in relationship and instituting a favorable climate of trust among the partners and loyalty on the part of the customer (Perrien et al, 1993; Ricard and Perrien, 1999).

In the research conducted by Perrien and Ricard, 1995 cited in Nguyen, 2006) about relationship marketing, a lot of things need to be taken into consideration in commercial banking sector if relationship marketing strategies are to be efficiently utilized. These include: Changing the organizational structure to suit relationship strategy; impact of human resources management policies on relationship especially bridging the gap on the way buyers and sellers see things in business; structuring effective ways of sourcing for data about customers; sales officers' training in relationship development. As discussed earlier in this chapter, the success or failure of

relationship marketing strategies hinges on customers' satisfaction and expectations. When the expectations and desires of customers are met and exceeded and when products delivered reflects such desires, success of relationship marketing efforts will be ensured but when the reverse is the case, the result will obviously be failure. According to Gidhagen and Thunman (1998) bank products and services are sometimes complicated in the sense that customers' perception of them are often confusing i.e. customers have no idea of the features of some bank products, thereby finding it difficult to operate. Since the outcome of sales in terms of gain or loss is known after the delivery of service, it is therefore very crucial to make the products and the entire operations of the bank more visible and less complex. This can be made possible by increasing the level of customers' trust, being committed, and establishing bond between them and customers and making the products they deliver more understandable.

Finally, from the foregoing, it is important for banks to not only gather information and data about their customers' preferences and characteristics which are stored in the data base, but to have the capacity to efficiently transform them into their entire operations, services and products, sharing information that will be beneficial to customers, avoiding actions that will lead to mistrust and customer dissatisfaction.

#### 2.2 Major relationship marketing constructs.

In relationship marketing, there are various variables which are regarded as operational tools that help to make relationship marketing understandable.

While investigating issues in relationship marketing, Lindgreen (2001) put forward an analytical model in order to illustrate relationship marketing in terms of the objectives of firms in the implementation of relationship marketing, the defining concepts and instruments which is illustrated further in the figure 2.2 below. In this study therefore, the following variables were discussed, namely: Trust, commitment, communication and conflict handling.

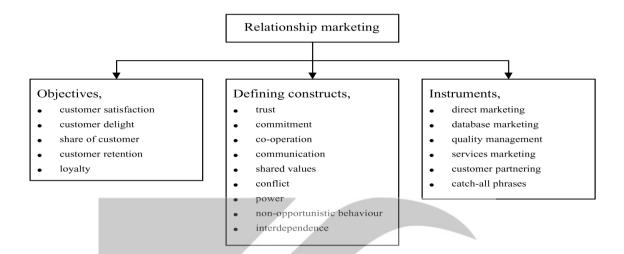


Figure 2.2 Breakdown of relationship marketing into objectives, defining constructs and instruments

Source: Adapted from Lindgreen, 2001

#### 2.2.1 Trust

Trust according to Morgan and Hunt, (1994) is the belief partners have that his counterpart is honest and can be relied upon. The amount of trust that exists among partners is a remarkable factor necessary for understanding the level of marketing relationships. On the other hand, Chattananon and Trimetsoontorn (2009) sees trust as the degree of relationship in business between a firm and its customers or stakeholders which determines the extent of confidence they are both willing to have over promises made in the course of business transaction. A breach of trust by any organization or service providers can be very detrimental to its relationship with customers because it can cause customer defection (Ndubisi and Wah, 2005). The level of trust customers have in a company depends to a large extent on the type of experience they get; good customer experience increases the level of trust and thereby encouraging customers to stay longer in the relationship. Therefore the resources used by the company in terms of manpower, information technology and other gadgets needs to be utilized in a way that trust in them does not fail (Gronroos 1990).

Chaudhuri and Holbrook (2002) describes brand trust as the interest and confidence the customers has on the capability of the brand to accomplish its functions effectively. In the perspective of relationship marketing as identified by

Morgan and hunt (2004), customer's trust in a brand brings about their loyalty and dedication. This helps to create high valued relationship among the partners.

#### 2.2.2 Relationship Commitment

Morgan and Hunt, (1994) defines relationship commitment as the intensity with which a company and its customers believe in the strength of their relationship to the extent of working seriously towards sustaining that relationship. It is necessary for determining the level of relationship with the company and it is also an important tool required to quantify the level of customer loyalty and customer's future purchasing power. Commitment is an important factor in the concept of relationship marketing as it emanates from trust and serves as a binding factor amongst partners (Miettila and Moller, 1990). This means that relationships are interconnected to commitment and without commitment relationship appears to be in vain. A lot of studies and investigations have been initiated on the best way to improve commitment having understood that it is pivotal to the success of relationship marketing. Geyskens, Steenkamp, Schearand Kumar, (1996). Commitment induces organizational citizenship behavior and increases the level of motivation. In affective motivation, it is believed among scholars that customers have the feeling of being affiliated to the company and this spurs a positive attitude in them.

Cooper (2002) sees commitment in two different ways namely: affective motivation, which is positive in the sense that it enhances relationships and calculative commitment which is negative on the other hand. As a result they are willing to stay with the firm as long as possible (Sheth and Parvatiyar, 1995).

#### 2.2.3 Communication

Communication is the interaction or conversation between two or more people. It involves the act of transferring messages from one channel to another. Communication is one of the important concepts in relationship marketing. It is the dialogue or interaction between a firm and its customers in different forms which can be before sales take place, during the process of selling, after the sale, during consumption and after consumption by customers (Anderson and Narus, 1990). Communication in relationship marketing implies interaction with key value-creating customers; supplying them with the required and honest information needed about the services of the company, changes in the company as it affects the customers and

problems if they occur in the process of delivery. It has been referred to as a veritable tool which companies cannot do without and serves as a core-competence in building successful relationship (Rule and Keown, 1998).

Communication is important in any business especially in the beginning of a relationship in order to foster trust required to provide a favorable environment for improving a long lasting relationship. Building such trust through communication at the early stage helps to extract information about the customers, identifying their preferences and on the other hand influence them into buying more and more. Good communication at initial stage of relationship positively affects the level of trust as the degree of trust deepens (Palmatier, 2008). Clarity of information shared among partners enhances trust by building in the partners, high level confidence and discovery of new opportunities necessary for commitment in a relationship. In the views of Mohr, Fisher and Nevin (1996) communication is the level of information interchange that occurs between the customer and the company in the area of the quality of information shared among them and how often information is being disseminated. They believe that when there is meaningful communication, issues or conflicts are resolved with ease thereby bringing about strong connection and alignment of objectives between the company and the customer as the relationship develops.

Through effective Communication dissatisfied customers are made to understand the efforts the organization is making to remedy the situation in order to serve them better. With meaningful communication between the customers and an organization, loyalty and better output are ensured (Jeourshari, Rezaloie, Taleghani, and Toochael, 2012). Morgan and Hunt (1994) advocates for a bilateral type of communication which provides solid foundation for stronger relationships than unilateral communication. They believe that it helps in conflict resolution, positioning of mutual goals and desires of the customers and also reveal new opportunities for profit maximization. In the views of Ndubisi, (2007), communication can cultivate customer loyalty by ensuring that honest information is made available by organizations and on time about the importance of particular services and the uses, state of transactions, efforts of the company about an issue already in existence and what they are doing to forestall future occurrences.

#### **2.2.4 Conflict Handling**

Conflict is the argument, quarrel and discrepancies that exist between two parties in a relationship. In business relationships it can occur inform of customers complaints and so on. It jeopardizes the changes an organization has in establishing a long term relationship with its customers if not properly handled (Amin, Almani, Pournaserani, and Mousavian2011). Customer complaints set in when there is dissatisfaction or disparity between customer expectations and the performance of the services provided by a company. Conflict handling therefore refers to the ability of a company to avert the outcomes of conflicts whether immediate or remote. It is the power an organization has to avoid future occurrence of conflicts and their ability to solve emerging ones before it metamorphoses into irresolvable problem. Aminu (2012) defines customer complaint or conflict as the feeling of dissatisfaction and disappointment expressed by customers as a result of the negative experiences they had with the services provided by a firm. If a company is unable to handle their customers' issues properly it directly or indirectly impacts negatively on their loyalty and in turn retention (Ndubisi and Wah, 2005).

In the banking industry, customers want to remain with a bank which has the capacity to pay attention to their complaints or problems and be able to handle it efficiently (Jeourshari et al (2012). With effective problem solving mechanism in place, conflict which would have escalated into a major problem could be averted and this goes a long way to guarantee customers' protection as a problem is being solved, depending on the nature. So many challenges are encountered by customers in the banking sector which makes them to complain, these include: Long winding queue, ATM disputes, unnecessary charges and delays, fraud, etc. The result is that customers are dissatisfied thereby leading to customer defection especially when the problem is not properly taken care of.

Since customer dissatisfaction is inevitable, firms should therefore make every effort to identified dissatisfied customers and try to correct the situation that prompted the dissatisfaction immediately (Baran, Galka and Strunk, 2008). It is therefore imperative to handle customers' issues amicably to inhibit them from patronizing the competitors (Harrison, 2000). For there to be customer retention, firms need to establish and incorporate in their system, processes that will enhance satisfactory

conflict resolution (Estelami, 2007). According to Tax and Brown (1998) in banking, successful and satisfactory settlement of customer' scores not only enhances customer retention but also helps in the improvement of customer-bank relationship.

It is worthy of mention, the observation made by Aminu (2012) that some customer are so indifferent to the extent of not showing interest in complaining when they are dissatisfied, may be because to them it is not necessary or maybe they do not know how to go about it, the next action will be to defect to the competitors. This is the reason why it is necessary to avoid conflict in the first place and get things done the right way the first time. Many customers express their anger and dissatisfaction through complaint in order to show how they feel about either the product or services. The outcome of their complaint may be either to seek for a refund, demand for a particular service or services to be repeated and seek for compensation (Lovelock and Wirtz, 2007).

According to Kotler and Keller, (2009) companies should motivate their customers to complain and also should encourage their employee to find solution to customers' issues as quickly as possible, at the place of occurrence. This has been identified as being important in enhancing revenues and profits. On this note, it is expedient that firms should develop appropriate, plans, process and procedures to keep track of customer complaints and equip the staff with the necessary trainings needed to handle customers' issues. They should also ensure that adequate communication is maintained as the resolution process is going on to keep the customer abreast with the effort the firm is making to resolve his problem. Bonds can be strengthened if organizations could positively handle conflict situations (Roberts-Lombard, Strachan and Plessis, 2013). Failure in effective handling of customers' complaints or issues could lead to mistrust, lack of commitment and will adversely affect the relationship between the customer and the service provider.

### 2.3 Customer Relationship Management

Customer relationship management (CRM) has been greatly discussed over the years by scholars and researchers. Organizations are beginning to employ all sorts of customer-based strategies, programs, technology, plans and procedures in order to have successful relationship marketing management system. They now see the need for deeper knowledge about customers in order to establish closer relationship with them as partners. Many definitions had been given to describe customer relationship management, but the major disparity is in the area of technology and relationship. Couldwell (1998) sees customer relationship management from marketing perspective as an embodiment of business process and technology that aims at providing deeper understanding of customers' personalities and preferences. In the views of Scot (2001) customer relationship management is a process established to obtain required information about customers which is used to create goods and services that will be suitable for them. It is group of activities undertaken by organizations to manage its customers for profit maximization throughout their relationship encounter (Martin, Oliver, and Jacquelyn, 2010). Bradhaw and Brash (2001) sees customer relationship as the management's effort directed at attracting, discovering their needs, sustaining the relationship established with value-creating customers through effective management.

Furthermore, Kotler and Armstrong (2010) defined customer relationship as the entire process of building and maintaining valuable relationship with customers based on profitability through quality customer service and satisfaction. One of the major factors that determine whether an organization is successful or not is predicated on their ability to understand customers and deliver valuable offerings. Customer relationship management therefore has helped in maintaining good customer relationship; it has helped to increase loyalty and promote values delivered to customers. Perry (2012) as cited in Ogbadu and Usman (2012) sees customer relationship management as information base for methodologies, software which helps to organize the way relationship with customers are managed. This is to say that it is a database with information about customers, their relationship details. This database is managed in such a way that it helps service providers to see how compatible the needs of customers are with the plans of the organization and what is offered. It also enables customers to know the required services and know what has been purchased. Customer relationship management helps the sales and marketing team to align goals and objectives properly to target their value- creating customers; proper channeling of marketing campaigns and also improves sales management by making use of the information provided by various staff which provides good lead for the sales unit (Bohling, Lavalle, Mittal, Narayandas, Ramani, and Varadarajan, 2006). The effects of customer relationship management on performance will be properly understood when there is perfect knowledge of successful technological and organizational building capabilities of firms (Piccolo and Ives, 2005).

The use of customer relationship management in banking industry is considered to be a very important tool for improving performance, understanding that it is costlier to acquire customers than to retain them (Mihelis, Grigoroudis, Siskos, Politis and Malandrakis, 2001). Onut, Erdem and Hosver (2002) highlighted that for there to be successful implementation of customer relationship management, companies are required first of all decide on the kind of information needed and how they can use it for positive change. This can be done in terms of tracking the business lifestyle of customers, looking at their preferences in order to create products and services that will suit their needs. Also it is necessary for organizations to look critically into different areas of customers' lifecycle, the information that is generated, when and how and the storage pattern as well as usage. Customers can be communicated through various means like: websites, mails, advertisements, phones, call centers etc. which are all embodied in customer relationship management system (Onut et al. 2002).

Customer relationship management emanates from business ideas and procedures like relationship marketing with emphasis on developing customer retention by establishing effective management system. Relationship marketing and customer relationship management are therefore related in the sense that both of them acknowledge the importance of customer retention on company's financial performance. In the world of business today, managers, sales representatives, marketers, relationship officers are faced with stiff competition in various categories, therefore establishing a meaningful relationship on long term basis becomes the best option to successfully adapt to the severe competitive environment (Zineldine, 2005).

#### 2.4 Customer Service

Customer service is the service provided to customers, which starts before sales take place, during the sale, during consumption and after consumption and continues throughout the life circle of business. Customer service is the specific actions intended to increase the level of satisfaction customers derive from goods and services. This satisfaction is that feeling in customers that the various areas of

offerings provided by a company such as: customer care, product features, nature of packaging, convenience and the entire experience customers have, has met their expectations. This is based on the proposition that customers' experiences are fashioned by their expectations (Turban, 2002).

Kotler (2001) defined customer service as all the actions carried out by companies in making access to their offerings very easy and quick with satisfactory service. He further describes it as a core business process. Excellent customer services fosters customer loyalty and retention and serves as a key factor in profit maximization by attracting new customers and consolidation the relationship with existing ones (Manning & Reece, 2000). When customers are satisfied, they tend to trust more and become more committed to the relationship. It is assumed that excellent customer service gives rise to customer loyalty and retention and also leads to profit maximization. This is important because of the economic gains derived from going extra miles in the delivery of quality service to customers thereby surpassing the competitors in the area of profitability (Inghilleri and Solomon (2010).

As businesses differ, the experiences customers derive also differs, it is therefore very important for organizations to fashion out their own unique way of delivering their products and services to customers at every given point of meeting (Dijulius, 2009). A company that has many avenues of meeting their customers has more opportunities of affecting the way they see the services they deliver, therefore the firm must be willing to satisfy them by providing them with awesome experience throughout the various touch points (Gallo 2012). In order to have a delivery of satisfactory customer service at every meeting point, there is need to aspire for perfection in the area of operations, resources such as manpower and facility used in the company, and excellent output. Therefore customer service should be made an integral part of the organization; it should not be a departmental affair or the work of customer service officers alone but should be the responsibility of every employee in the organization irrespective of status. It is therefore advocated that each unit of the organization should make meaningful contribution towards ensuring satisfactory experience for the customers (Woods, 1998).

Therefore it is very imperative for firms to take various aspects of customer service seriously and also take their needs into consideration in order to serve them efficiently.

#### 2.5 Customer Satisfaction

Customer satisfaction which is dependent on customers' experience of goods and services delivered by a firm is carefully thought of as one of the important results of all marketing efforts in a company and an indicator used to predict customer's future behavioral patterns. According to Olivia, Oliver and MacMillan (1992), satisfaction is derived when a company meets the expectations and desires of customers. The main idea in literature over various definitions offered by scholars on satisfaction summarizes that satisfaction is the impression or feeling that customers get from assessing the offerings made available by their service providers and checking if it has truly fulfilled their desired aspirations or needs (Westbrook and Oliver, 1991). On the other hand when customers quantify what is offered to them, they tend to do a comparison between the experience they have and their desires (Lee and Chung, 2009). That is to say that satisfaction is associated with the level of positive feeling customers have about a company. It is the outcome of customers' purchases and usage of products obtained, which emanates from their comparison of gains and cost of purchases as against its desired effect. This also show the level of likes or dislikes consumers express over the products and service provided by organizations. It is anticipated that satisfaction should have effect on customer retention, whether positive or negative depending on the outcome of customers' experience i.e. when customers must have had the ability to assess the quality of product and services provided by organizations. It is important for the progress of long term relationships between organizations and their customers (Estelami, 2007).

The two major ingredients that influence customer satisfaction include their expectations followed by their experience of quality service (Szymanski and Henard, (2001). For instance in the disconfirmation paradigm, it was asserted that the customers feel satisfied when the performance of products is equal to customer expectations. On the other hand they become delighted when their expectations are exceeded. However when the reverse is the case in the sense that customers' expectations are shattered as a result of shortcomings of product performance,

customers feel dissatisfied (Schiffman and Kanuk, 2004). This therefore suggest that the higher the satisfaction, the higher the level of retention. This view that the more satisfied customers become the more they show loyalty has been widely accepted by several researches which is the reason why many companies are channeling more efforts towards solidifying customer satisfaction (Raneweera and Prabhu, 2003). According to (Sit, Ooi, Lin, and Chong, 2009) when customers have positive image about an organization as a result of customer satisfaction leads, the competitors will find it difficult to win such customers. He and Sing, (2009) enumerated some of the outcomes of customer satisfaction which includes: loyalty, customers' ability to rebuy which enhances sales, good testimonials which serves as a referral to attract more customers. This is in line with the views of Kotler& Keller (2009) which states that when customers are satisfied, they stay loyal on long term basis, buy more as new product emerges and refer others through word of mouth by saying well about their products and services.

Customer satisfaction has become more popular especially in this dispensation of paradigm shift from the traditional business approach which is based on transactions to a more reliable approach – relationship marketing which is predicated on building relationships (Sheth and Parvatiyar, 1994; Grönroos, 1994). Customer satisfaction as identified in many writings has been in the fore front of relationship marketing because of its importance to customer retention (Rust, Subramanian, and Wells, 1992). As a result, customer satisfaction has become an important tool which can be used to monitor, evaluate and control activities related to relationship marketing (Kotler and Armstrong 2010). Schlesinger and Heskett, (1991) on the importance of having satisfied customers highlighted that in financial services sector, customers get satisfied as a result of additional financial services they get from their service providers. This increases the profit margin of the company through crossselling of more products. On the other hand, when customers are satisfied they care less about price more than the dissatisfied ones (Rust, Subramanian, and Wells, 1992).

Finally, customer satisfaction is very important in relationship marketing which aims at customer retention and customers cannot be retained when the services and products delivered by organizations does not fit into the expectations of customers thus bringing about dissatisfaction. In this regard therefore, it is pertinent to

note that customer satisfaction is an important factor in establishing maintaining a long term relationship with customers enshrined in relationship marketing.

### 2.6 Customer Loyalty

Customer loyalty is one of the major factors used to assess the quality of services provided by a company. It is a very important tool for any organization that aims at adopting relationship marketing. Researches on relationship marketing have shown the importance of customer loyalty to organizations in different dimensions. With customer loyalty, there is increase in growth rate, level of security and the stability of the organization is solidified. A loyal customer according to Fisher (2001) is the customer who is committed to his relationship with a brand to the extent of rolling our fresh products with them and ready to refer other people to the brand on the account of good services enjoyed. Customer loyalty is connected to company's profitability and as such a very important tool for securing competitive advantage which is the reason why it is necessary to conduct researches on customer loyalty for banking industry (Duncan and Elliot, 2002). Customer loyalty can also be seen as the customers' exhibition of strong belief, sticking to an organization irrespective of their flaws and oversight. This suggests that customer loyalty can be behavioral or attitudinal. Customer loyalty is behavioral when customers stick to a brand due to familiarity, friendship or when there is no other available option. Attitudinal loyalty is predicated on customers' preferences and their emotional inclination (Rozita and Taibe, 2012).

Customer loyalty in the views of Clerk (1997) comes as a result of customercentered atmosphere in an organization. This kind of atmosphere is created when companies make some efforts to find out what their customers want, their preferences and their needs and to fashion their products to meet such needs by giving them services that are peculiar to them. This peculiar service according to Szymin and Carrigan, (2001) is the ability to discover the likes and dislikes of customers and making sure that the right products and services get to them as and when due. It is obvious that customers switch to competitors if their expectations are neglected. It is pertinent to note that when customers are fed up with their service providers they hardly relay their intentions to defect to anyone. Therefore for management of banks to deal suitably with these issues, they need to differentiate between what they are offering in theory and what they are offering in practice and find out what customers actually need (Kish, 2000).

#### 2.7 Customer Retention

Customer retention is a very important principle in relationship marketing because it is the end product of relationship marketing. Relationship marketing aims at retaining customers. Today, many businesses are adopting all sorts of strategies to survive in this stiff competitive business dispensation. Consequently, marketers and sales force are very strong in their determination to attract and retain customers at all cost. To retain customers is not just about meeting customers' expectations but about exceeding them so that they become strongly loyal to the company. In this contemporary business environment, companies have realized that it is costly to acquire new customers than to retain them, hence the allocation of resources to customer retention (Reichheld and Kenny, 1990). Furthermore, customers retained for a long time tends to buy more and provide word of the mouth referral for organizations and are very insensitive to price (Healy, 1999). A lot of literatures are recognizing the fact that there is a major change in company's focus from the basic sales transactions to dwelling in customer satisfaction due to the paradigm shift in company's orientation emphasizing more on relationship strategies (Morgan and Hunt, 1994). For there to be customer retention in service sector where there is severe competitive pressures, there is need for firms to meet the expectations and desires of their customers (Armstrong and Kotler, 2008).

Many companies today are coerced into giving greater consideration to establishing and maintaining meaningful relationship with customers as a result of the increase in the level of competition in banking industry. Canel, Rosen and Anderson (2000), looking at the concept of customer retention from a broader point of view highlighted that customers' knowledge and expectations are tremendously increasing as a result of the development in the society today in terms of the level of competition in different sectors of business, improvement in technology and communication etc. therefore, the way a firm retains its customers does not only dwell on the products and services but the delivery process or mechanisms and the impact it has created in the minds of the existing customers.

Jobber (2001) looking at customer retention from a different perspective argues that some service experience witnessed by customers does not have the ability of engineering a long term relationship. Therefore it is necessary for service providers to bear the following in mind in their effort to establish a long term relationship with customers: whether the customers have an existing or timely desire for the company's service; whether the customers have the ability to select a service provider and the alternatives available for them. The author further stated that it is necessary for firms to know what causes customer defection and what serves as a value for the customers and identify value creating customers and focus on them, this will enable them to attend to them effectively. In a similar vein, maintaining successful relationship marketing depends on having a deeper knowledge of the behaviors of the customers and concentrating on the selected long term value creating customers (winter, 2001). On the other hand Egan (2004) argues that a lot of factors make it unprofitable while trying to achieve total customer retention rate. They include: high costs and the fear of customer defection either for a short time or a long time due to the level of competition prevalent in the system. Egan, (2004) while recognizing the move by firms towards adopting customer retention as strategic instrument survival in a competitive environment, defines customer retention strategies as strategies that focus on customer loyalty for a long period of time.

Finally, customer retention is very important tool in relationship marketing because of its impact in achieving the aim of relationship marketing. It is therefore important that firms should make conscientious efforts towards establishing a long term relationship with customers by putting in place mechanisms that will aid customer retention.

#### 2.8 Related Researches

The following are the previous researches that are related to relationship marketing and customer retention in banking industry. Their conclusions are as follows:

Rootman, Tait and Sharp (2011) study in relationship marketing and customer retention lessons for South African banks indicated that it is important to have a deeper knowledge of relationship and customer retention in bank and several lessons that can be learnt from banks in developed countries like Canada and the

United Kingdom. The findings of the research therefore highlighted six major service delivery variables in banking industry that affect relationship marketing and customer retention. They include: communication, empowerment, personalization, ethical behavior, fees and technology. According to the research, out of the six variables named above, fee structure and ethical behavior were identified as the major area of focus for banks. In terms of relationship marketing, customer retention, empowerment of banks employee and personalization of banking services as part of the six variables mentioned earlier, Canada was seen as a country with banks notable in these areas. United Kingdom banks were identified as being superior in the area of setting fee structure, communication strategies and ethical behavior. This therefore suggests that these strategies as established and used in UK and Canada were adopted by South African banks in order to develop their banking system.

Ababio and Eshun (2012) conducted a research on "The practice of relationship marketing and customer retention in the banking industry of Ghana. This study highlighted the role of relationship marketing in customer retention and the way it is being applied and practiced in Ghanaian banks. The findings of the research shows that all the banks in Ghana have different reasons for adopting relationship marketing which are summarized below as follows: profitability, building emotional ties with customers and building client relationship through customer focus approach, long term relationship with customers, marketing optimization, new market opportunity to increase customer retention, reduction in operational cost and efficient management of customer data. Among these variables, building ties and maintenance of long term relationship with customers was rated high as the major reasons for adopting relationship marketing in Ghanaian banking industry. This shows that most banks in Ghana are recognizing the view that it is costly to gain new customers than retaining the existing ones.

On the application of relationship marketing, the outcome of the research reveals that information technology helps in specific and immediate recognition of clients and equips the employee with meaningful data as and when due. On the practice of relationship marketing and customer retention, the study finds that the selected banks are related in the area of their capacity and identified that human behavioral influences brought about differences in the practice.

Alrubainee and Al- Nazer (2010) study in "Investigating the impact of relationship marketing orientation on customer loyalty: The customer perspective". The study recognizes that one major challenge experienced by banks is increasing customer loyalty especially in the contemporary global market where there is serious competition. The research was conducted on customers of Jordanian banks and the outcome of the study confirms that the five dimension scales of relationship marketing are trust, bonding, communication, satisfaction and commitment. In the study, bonding was identifies as an important factor in customer loyalty. On the other hand commitment was found to have no impact on customer loyalty in the banking industry of Jordan. It was also identified that the measurement of relationship marketing variables indicated above can predict customer loyalty in Jordanian banks. Finally, the research recommends that banks' management in Jordan should focus on relationship on relationship marketing constructs such as: Trust, bonding, communication and satisfaction.

The Role of Relationship Marketing in Customer Orientation Process in the Banking Industry with focus on Loyalty by Taleghani, Gilaninia and Mousavian (2011). This study recognizes the fact that there is severe competition in banking industry more than ever, also the market is being split, there is short span of products and increasing level of customers' knowledge which makes companies or firms to think of adopting relationship marketing strategy in order to establish, maintain and enhance serious relationship with customers and other stakeholders with the aim of gaining their loyalty and retention.

The study focuses on making inquiries on the impact of relationship marketing concepts or variables such as: Trust, commitment, communication conflict handling, bonding, shared values, empathy and reciprocity on customer loyalty in banking industry. The findings of the research indicate that all the variables mentioned above related to customer loyalty and have tremendously affected it. Some conclusions were drawn which suggest that customer loyalty can be established and strengthened by putting into place marketing strategies that focuses on building trust, showing total commitment to service, effective communication with customers as often as possible, proactive handling of customers issues, taking into consideration shared values,

making the sales force more empathetic and possess the ability to reciprocate and improve the level of bond between customers and service providers.

Odour (2008) conducted a research to investigate "The Effects of Relationship Marketing on Customer Retention in the Kenyan Banking Sector". The study recognized the fact that there is a paradigm shift in the world of business today which affects the way businesses are conducted from the traditional way of business based on transactions to focusing more on establishing long term relationship to retain customers. The aim of the study was to look into the adoption of relationship marketing strategies in the banking industry and how they have affected customer retention; look at the benefits and challenges Kenyan banks came across in applying relationship marketing strategies. The study identified many factors that gave rise to relationship marketing such as: Increasing rate of expectations, decreasing level of tolerance on the part of customers, intense competition and undifferentiated products in the banking industry. The result of the study indicates that banks in Kenya have adopted various relationship marketing strategies in order to retain customers. Examples include: Customization of products, direct marketing, augmenting core products with extra benefits, customers training and coaching and operating membership programs. The findings also show that more than 70% of managers agree that customization of products adds to customer retention by 75%. This is based on the reason that 80% of the customers have knowledge and experience of the strategies. On the other hand 80% of managers believe that direct marketing strategies promote customer retention between 26-75% while others score very low. The research also found that there are a lot of benefits derived from practicing relationship marketing. These include: Enhancement of company's image, improving companycustomer relationship and increased sales turn over.

Finally, a lot of challenges were faced by banks in Kenya in an attempt to apply various relationship marketing strategies. Firstly, failure to meet up with the needs and changing characteristics of customers became the most serious challenge. Others are increasing level of competition in the industry and of those offering related services; there were fraudulent activities, inability to have a standardization of products or to meet various customers' needs and inability to customize products.

According to the study by Jeourshari, Rezaloie, Taleghani and Toochael (2012) on "The Impact of Relationship Marketing on Customer's Loyalty Level in Iranian Banking Industry", there is a link between relationship marketing variables such as: Trust, commitment and conflict handling and customer loyalty. The research sees factors such as trust, commitment and conflict handling as some of the strategies required to excel in today's competitive business environment. The study shows that loyalty customers in the baking industry can be predicted through relationship marketing. The study therefore, advocates that banks should pay closer attention to trust, commitment, communication and conflict handling. Also that banks expecting customer loyalty or increase in retention rate should endeavor to be trustworthy in dealing with customers, committed to service, maintaining adequate relationship with customers and have all it takes to effectively handle customers' issues which are inevitable. Therefore, the higher the amount of efforts directed towards these variables, the higher the retention and loyalty rate in banks.

Ndubuisi (2007) on "Relationship Marketing and Customer Loyalty with emphasis on examining the impact of relationship marketing strategies: such as: Trust, commitment, communication and conflict handling on customer loyalty in Malaysian banking sector". The research indicates that trust, communication and conflict handling have tremendous impact on customer loyalty. If the experiences customers have from these areas are not satisfactory, then the outcome is negative on customer loyalty. The research indicated that Malaysian bank customers will remain loyal to their banks if the bank can be trusted, committed to service and be reliable and efficient in interacting with customers and have the capacity to handle customers conflicts efficiently. The research concluded that the more banks become trustworthy while having business transactions with customers, the more committed they are, the higher the level of their reliability in communication, the more efficient and effective they are in handling customers issues, the more their customers become loyal.

#### **CHAPTER 3**

#### RESEARCH METHODOLOGY

This chapter explains the methodology used in this research: "Analysis of the Relationship between Relationship Marketing and Customer Retention in Nigerian Banking Industry". The selection of methodology was based on the stated research problem and research questions. This chapter starts with the research approach; method of data collection used and concludes with the strategy for data analysis.

### 3.1 Research Approach

There are various approaches used in conducting a research with emphasis on the research purpose and questions. According to Sanders, Lewis and Thornhill (2007), research approaches are classified into the following: Inductive approach and deductive approach which can be either quantitative or qualitative. Inductive approach has to do with development of a theory from data collection and analysis. Deductive approach is when a hypothesis is developed based on general theory which can lead to propositions. In this thesis therefore, an inductive approach was used in order to have a better knowledge and perception of the factors influencing relationship marketing and customer retention and the challenges faced by banks in their attempt to implement relationship marketing in order to retain customers. This was made possible by the analysis of the relevant literature on this topic.

Research method can either be qualitative or quantitative depending on the nature of the research. Quantitative research refers to a research that deals with measurement of concepts thereby producing numeric figures which are statistically used for testing hypothesis or particular research question. It often require large amount of samples for generalization and application in other situations. While qualitative research focuses more on words and expressions than the use of numeric values and used when the research involve human actions, behavior and also when conducting a small scale research (Descombe, 2000). Qualitative research is a research that aims at examining and understanding opinions and deeper understanding of a problem. The result of qualitative research is subjective and distinguished by

nearness to the object in the research. It often requires the researcher to be closely involved (Zikmund, 2000).

In this study therefore, qualitative method was found to be more suitable as the purpose of this study is to investigate and have a deeper knowledge of the phenomenon of relationship marketing and customer retention in Nigerian banking industry.

#### 3.2 Data collection

Data are verifiable pieces of information systematically collected in accordance with stipulated standards. The nature of data collection depends on the type of research being conducted (Neuman, 2003).

A combination of secondary and primary source of data collection was used in this study. The secondary data includes materials like, books, publications, articles, reports on financial services industry, academic journals and articles. While the primary data are gathered from interviews with managers in the banking industry and by conducting focus groups. The use of both secondary and primary sources of data gives the researcher the opportunity to view the phenomenon from many perspectives.

#### 3.2.1 Documents

The importance of documents in form of recordings which conveys information presented somewhere else originally cannot be ignored as it verifies the date and time of events, spellings used, and other data that are pertinent to the research. On the other hand, results gathered from the research can be used to check conformity or refutations that might have been observed in the documents. This helps the researcher to know the direction of his investigation. Yin (2003) however alerted that researchers should be very careful in the use of documents to avoid inherent biasness as some documents are written for a particular purpose.

Therefore the document used in this study was gathered from sources like the Stamford International University library, electronic libraries and internet.

#### 3.2.2 Interviews

Electronic interview method through Skype was applied in the data collection process of this study due to distance between the researcher and the respondents. Ten bank managers were chosen out of 21 banks in Nigeria as interviewees on the basis of

the strength of the bank, the experience of the managers and involvement of the managers in relationship marketing.

Based on indices like profit before tax, gross earnings, total assets, customer deposits and shareholders' funds, the following banks emerged as the top 10 banks in Nigeria which were used in this study – Zenith Bank Plc, First Bank of Nigeria Limited, Guaranty Trust Bank Plc (GTB), United Bank for Africa Plc (UBA), Access Bank Plc, Skye Bank Plc, Eco Bank Plc, Diamond Bank Plc, First City Monument Bank (FCMB) and Stanbic IBTC. Appendix A illustrates the ranking of Nigerian banks in terms of profit before tax, gross earnings, total assets, customer deposits and shareholders' funds.

The interviews were conducted via Skype for a period of five weeks for the 10 managers. In order to help respondents be well prepared and to give effective answers, the interview guide was sent to them earlier before the date of the interview. The interview consists of 21 questions designed to solicit a personal opinion and understanding of the context from the individuals being interviewed.

Interview is a two sided communication which involves an interchange of questions and answers between the researcher and the participants. It is a two way conversation which enables researchers to take active part in the interview session (Cohen and Crabtree, 2006). The use of interview not only provide the researcher with in-depth information but also quality information which cannot be derived from other sources; as a result, more information relating to the research questions and objectives are gathered which adds more value to the research (Descombe, 2000).

There are three important types of research interviews namely: Structured, semi-structured and unstructured. In this study, a semi-structured type of interview was used which in the views of Gil, Stewart, Treasure and Chadwick (2008) is important in research because it is flexible when compared with structured interview and allows the respondent to give detailed information which might be relevant to the study. This approach to interview further helps to provide deeper understanding and the ability to discover new ideas which had not been earlier considered as important to the research. Semi-structured interviews are popularly used among researchers because of its flexible nature which gives the researcher the chance to ask more questions for validity sake (Descombe, 2000).

### 3.2.3 Focus Group

Two focus groups were constituted consisting of 10 participants in each group, made up of customers who maintain accounts in the 10 leading Nigerian banks selected for this study. These groups of respondents are made up of Nigerians who reside in Thailand but still maintain accounts in Nigeria with the selected banks. For each of the focus groups, there were 10 questions which are meant to challenge them into discussions on relationship marketing by banks, with reference to customer service and customer satisfaction as it affects customer's relationship with them. Each group was encouraged to discuss issues related to their expectations in terms of essential services from their banks in the course of transacting business. The focus group session was recorded and transcribed for effective analysis of every part of the interview session.

Moreover, in other to provide solid support to the interview results, information gathered from the interviews and focus groups were compared with information collected from other sources such as academic journals, books, articles etc.

### 3.2.4 Design of the Interview Guide

The interview guide was derived from the observations made from reviewing relevant literature and other related researches. The interview guide was compiled based on the research questions and objectives of this study and was designed as follows as shown in the table 3.1 below.

**Table 3.1** Research and Interview Questions Guide

<b>Research Questions</b>	Theories	<b>Interview Question</b>
What are the major factors that	Relationship marketing	Ouestion numbers 2, 5,
influence relationship	factors.	6,7,8,12,13 and 14.
marketing in building long-		
term relationship in order to		
retain customers?		

Table 3.1 Research and Interview Questions Guide

Research Questions	Theories	Interview Question	
How is relationship marketing applied in Nigerian banking system to improve customer retention?	Application of relationship marketing.	Question numbers 3, 4,16, 17,18,19, 20 and 21	
What is the impact of customer service in increasing customer satisfaction?	Customer service	Question numbers 1, 9 and 15.	
What are the challenges experienced in the application of relationship marketing?	Challenges in relationship marketing.	Questions numbers 10 and 11	

#### 3.3 Data Analysis

The major objective of data analysis is to explore and interpret the data collected by providing explanations that will enable the data to make more sense and to draw conclusions that are devoid of alternative interpretations (Yin, 1994). In this study, the analytical strategy used was relying on theoretical proposition which is based on comparing the result of the study with relevant studies and existing theories; and the use of content analysis.

Content analysis is a research technique or strategy used to analyze documents such as books, articles, speeches, interview transcripts, video tapes and other materials with the aim of improving the understanding of the data. It is used to reduce the length of a data to a manageable size (Robert, 1990). It provides the researcher the opportunity to systematically collate and organize a large amount of data into categories with ease. In this direction therefore, it is assumed that words and phrases similar in meaning are placed in the same category (Cavanagh, 1997). In communication, it is speculated that frequently used keywords, phrases etc. are considered to be very important and given meaningful consideration while using content analysis strategy. Content analysis aims at drawing conclusions or deriving logical judgment from the data collected and linking them to their context in other to provide new understanding and new ideas or perceptions about the phenomenon. In

other words, it helps to compress data into concepts and categories so as to establish a model or a theory (Neuendorf, 2002).

Furthermore, the fundamental idea in content analysis is the ability to classify too many words of a written communication or transcribed interviews into fewer related categories or contents, thereby grouping words or phrases that are synonymous together (Webber, 1990).

**Table 3.2** Uses of Content Analysis

PURPOSE		QUESTION	ANALYSIS
The impact of customer	Why	Why is customer service important in	
service towards		increasing customer satisfaction?	
customer satisfaction			
Factors that influence	What	What factors are important in building	
relationship marketing.		banking relationships with customers and	
		why?	
Application of	How	1. How do you use relationship marketing	
relationship		to identify and prevent your defecting	
marketing		customers to switch to competitors?	
		2. How does your bank go about finding	
		the needs of your customers?	
	To whom	1. How involved are the customers in the	
		creation of bank products and services?	
		2. Do you provide customers with	
		additional personalized services, If yes	
		how? If no: why?	
	To what	What are the effects of relationship	
	effect	marketing on customer retention	

The chapter highlighted on the research purpose, research approach. It also touched on data collection procedures used and data analysis strategy that were considered to ensure accurate data, to answer the research questions posed with the aim of finding answers to how the application of relationship marketing in the banking industry in Nigeria helps to improve customer retention.

### **CHAPTER 4**

### RESEARCH FINDING

### 4.1 Findings based on research objectives

This chapter discusses the data findings and analysis of the study. Data used for this study has been collected through interviews with 10 bank managers from 10 different banks and 2 focused groups made up of 10 customers each. The data was analyzed using content analysis in order to have an in-depth exploration and understanding of relationship marketing and customer retention in Nigerian banking industry. The following observations are presented as pertinent findings regarding the major objectives which prompted this research project.

# **4.1.1** What are the factors that influence relationship marketing in building long- term relationship in order to retain customers?

A variety of factors were identified as important by both customers and managers in building long-term relationship with customers. In accordance with the literature, trust was mentioned as an important factor. Trust according to Morgan and Hunt, (1994) is defined as "when one party has confidence in an exchange partner's reliability and integrity". In the views of Pollard (1996) unless you build relationships of trust with your customers, listen, learn, and respond to their changing needs, and empower your staff to correct mistakes when they occur (not days or weeks after they have been measured), you will not establish an environment for long-lasting customer relationships.

Based on the interview conducted with the managers of Nigerian banks, they believe that trust is paramount in establishing a meaningful and long lasting relationship with customers. For instance the industry has undergone so many changes in the past which has affected people's confidence in banks. There were a lot of banks that went bankrupt, some banks folded up, many customers lost huge sums of money thereby further dwindling the trust people have in the banking system. It is on this note therefore that trust is very pertinent in Nigerian banking industry. Banks should maintain their trust with every customer. Making sure the customers get the services they promised at the first registry of the account. Making sure that customers' accounts/ funds are safe not tampered with.

"Trust is a very important factor especially in Nigerian banking industry. It is firm reliance on the integrity, ability, or character of a person or thing. No one can do business with you if he doesn't have confidence in your ability. Because of past experiences in Nigerian banking sector over liquidations and bank collapse, people now live in fear. Therefore if the customers have a greater level of trust that the bank is strong to the extent of having the feeling that their money is safe, they will be obliged to establish a more meaningful relationship with the bank." (Manager)

This ascertains the importance of trust in relationship marketing as identified in previous studies.

Communication and interaction is another factor that emerged from the findings which the managers and customers identified as being important in an attempt to retain customers or maintain a long term relationship with them. The managers stated that they keep a very regular contact with their key customers through phone calls, visitations, text messages, electronic mails and physical contact in the bank.

"Since communication is a two way thing, it helps you relate the position of your bank to the customer, you understand his/her own as well and this feedback particularly from customer can help you improve on your products and services, with that you can retain him/her and tap into similar opportunities around you. Thus it adds to growth in the industry." (Manager)

This is contrary to the experience of many customers which is not in line with the claims of the managers. Many of the interviewees on the customers' side stated that their bank do not have regular contact with them, in some cases no contact at all.

"I do not have much contact with my bank except when I have some transactions to make or when I have problem" (Customer).

The interview results indicate that good customer service and satisfaction were stated as important factors by both customers and managers in influencing relationship marketing.

"Delivering superior customer service and satisfaction are the main tools to building and managing profitable customer relationship. If the product failed to meet the expectation of a customer then the customer become dissatisfied. If the customer got exactly what he expect then he becomes satisfied and if the product fulfill more than the expectation the customer become highly satisfied and satisfied customers repeat the purchase and tell others about their good experience and this way the company build a great relationship with customers". (Manager)

"Customer service is very important; I only feel satisfied when I have been given the right service and treated properly. As human beings, we all want to go to places where our needs are considered and met, also places where we communicate freely. Therefore, bad customer service leads to low or no satisfaction at all."

(Customer)

Another factor stated as an influential factor to relationship marketing by both managers and customers is commitment as relationships hinge on commitment to one another and relationship does not seem to exist where there is no commitment. To customers commitment makes them feel connected to the bank. The results of the interview also indicate that conflict resolution or the way the bank handles customer issues is an important factor that cannot be neglected by the managers. This is also echoed by customers as being very important in their relationship with their banks because it can cause defection especially when issues are not properly handled.

For some managers, brand building was identified as another important factor that helps in the effective execution of relationship marketing.

"This is the asset of the bank which is unseen. By establishing brand awareness, we meant to introduce our name to as many prospects as possible. This could also mean penetrating our trademark to customers". (Manager)

The customer's perception of their bank's brand is often connected to financial security, strong capital base, large product portfolio, and good performance over the years.

"I feel more comfortable and confident operating account and doing business with banks that are well established" (Customer). For customers branding allowed them to find a bank to have a long term business transaction with in order to reduce risk of disappointment or failure.

# 4.1.2 How has relationship marketing been applied in the Nigerian banking industry to improve customer retention?

Relationship marketing is still in the infant stage in Nigerian banking industry and has not been fully applied in the system. From manager's point of view, banks in Nigeria are behind in terms of knowledge and implementation of relationship marketing, with adverse consequences in customer attraction and retention. Meanwhile they have engaged in some activities which they considered useful in maintaining a long term relationship with their customers. These activities include: Approaching clients to understand their needs and tailoring products to suit them; Training sales team to understand that everything they do and say to facilitate a sale must focus on helping customers in making life easier, better and convenient for them; Ensuring good services and having effective communication with customers updating them with the rapid changes in banking products and services; Effective conflict management through a designated conflict handling department which ensures that issues does not occur repeatedly; Personal visit to customers, which includes: Attending their events such as birthday parties, thanksgiving ceremonies, weddings, burial and other ceremonies which customers may have organized and presentation of gifts in those events. Managers also stated that they sponsor customers' events depending on the level of relationship they have with them; Also provide financial advice to customers without any additional charges.

Customers have diverse opinions in respect of the above highlights by mangers claiming that banks focus more on their key customers who create more value to their profitability.

### 4.1.3 What is the impact of customer service in increasing customer satisfaction?

The importance of customer service cannot be neglected especially in this dispensation when customer expectations are changing as a result of their knowledge.

To managers, customer service creates a very vital impact towards customer satisfaction because it is a series of activities designed to enhance the level of customer satisfaction – that is, the feeling that a product or service has met the customer expectation.

The major objective of any firm should be to serve customers' needs efficiently and effectively, and to make customer service an integral part of what the customer buys. It is expected that turnaround time should be maintained, unnecessary delays should be cut off, and promises should be kept by bank officials.

"When customers are satisfied with services of the bank they tend to come back, feel at home and want to do more businesses with the bank. Therefore customer service is important in increasing customer satisfaction" (Manager)

Customers also uphold the same view with managers on the importance of customer service towards customer satisfaction improvement. Good customer service provides an experience that meets customer expectations and produces satisfied customers.

"I think it's very important, I only feel satisfied when I have been given the right services I need and treated properly. As human beings we all go to places where our needs are considered and met, therefore bad customer service leads to low or no satisfaction at all" (Customer)

# 4.1.4 What are the challenges experienced by banks in the application of relationship marketing?

So many challenges were identified by managers as major hindrances to the successful application of relationship marketing. The findings from the interview revealed that in spite of the fact that relationship marketing in Nigerian banking sector is still in its developmental stage, a lot of banks have been trying to establish a long term relationship with their customers. The challenges experienced by banks include: Failure in service delivery as a result of system failure; Stiff competition in the industry which makes long term relationship difficult; Difficulty in customer management; CBN (Central Bank of Nigeria)/ government regulations which make some transactions which would have benefitted customers difficult; company's policy on where to bank; difficulty in having perfect knowledge of customer needs and unstable consumer wants; Poor branch network which makes access to banking services difficult; Knowledge gap in products. There is also problem of incessant fraudulent activities on customer's accounts and ATM disputes.

Among the challenges mentioned above, failure in service delivery was identified by the managers to be the most serious one.

"I think one may come out of all other challenges strong but once there is a service failure, most times you lose out on 75% of those businesses. Nobody wants to be sad doing business" (Manager)

This goes a long way to show the importance of good customer service in relationship marketing.

#### 4.2 Interview with Managers and Customers

### **4.2.1 Interview with managers**

### 1. What impact do you think customer service creates towards customer satisfaction?

The interview with managers reveals that customer service is very important especially in this rea of stiff competition in Nigerian banking industry. It was described services provided to customers before, during and after purchasing and using goods and services. Good customer service provides an experience that meets customer expectations. To them customer service creates a very vital impact towards customer satisfaction because it involves series of activities designed to enhance the level of customer satisfaction – that is, the feeling that a product or service has met the customer expectation. Bad customer service can generate complaints. It can result in lost sales, because consumers might take their business to the competitor. Therefore when services are excellent, it breeds customer loyalty and satisfaction is guaranteed but when services are bad, the reverse is the case. The managers believe that no organization can survive without good customer service experience; it can be made the parts and parcel of every bank.

### 2. What factors are important in building banking relationships with customers?

So many factors were identified as being important in building relationships with customers as highlighted by the managers in the interview: Trust, commitment, effective communication and interaction with customers, empathy, good customer service, brand building, conflict handling, knowledge of customer's wants/ needs and selecting the right target. The managers believe that effective handling of these factors will help to empower relationship marketing.

### 3. Can you describe the current level of the factors mentioned in the previous question in your bank?

Managers have diverse opinions when it comes to describing the level of factors mentioned above in question 2. While some were of the view that the factors each is on a pedestal of its own and seek to attain / maintain the highest level on each segment, others highlighted that the level is high.

### 4. Can you provide some information about your relationship marketing activities?

The relationship activities as enumerated by managers include: Prompt resolution of issues and ensuring it doesn't occur, ensuring good customer experience with bank services, adequate communication with the customers, personal visits to customers (which includes: attending their events and presenting them with gifts), sponsoring customers' events, providing financial advice without any additional charges and approaching clients with the aim of understanding their needs and tailoring products to meet them.

### 5. How has 'Trust' between the customer and the bank affected the relationship that the bank have with its customers?

Interview with the managers revealed that trust is very important in Nigerian banking system and has greatly affected their relationship with customers. To them trust is the foundation of relationship in banking sector. Trust affects relationship in the sense that if customers have trust in your bank and in your banking services they will feel secured and at home with your bank and will want to remain with you.

Managers stated that experiences from events in the past has shaped the mindset of Nigerian customers towards banking, a time in the past when so many banks became liquidated or went bankrupt and customers were mostly affected. As a result of that nobody wants to keep his money in a bank that is collapsing or in a bank whose financial position and capital base is not strong enough to guarantee the safety of their money. The managers strongly believe that maintaining trust has helped them to retain their customers. The customers can sleep comfortably knowing fully well that their money is safe and that the bank is sound in terms of liquidity and capital base.

### 6. How do you resolve conflicts with your customers? Please give an example if possible?

Conflicts are inevitable in banking industry as stated by managers but what matters is how to handle it. Overtime this has been a challenge for most firms because dissatisfied customers can disrupt sales in future and prevent growth for your business. Therefore many banks have deployed a platform or issues management system where complaints are logged on and streamlined to the particular unit for effective handling. Managers acknowledge the fact that some customers can be very

stubborn in dealing with but still they find amicable way of settling disputes irrespective of its magnitude and on time too. Some issues according to managers are beyond the branch level office so such cases are taken to the higher level for deliberation and resolution. Examples of conflicts highlighted by managers include mainly ATM disputes, over charges; minor service failure as a result of system breakdown etc. and they try to resolve by finding out the root cause so that it doesn't occur again.

"Example, we had a situation some time ago where someone made a mistake on his own account by issuing a cheque to someone without due authorization and signatures. He had expected us to pay the cheque because of the urgency of the need but it was turned down. When he came and was angry why his cheque was not honored we sat him down and educated him on the fact that we are trying to make sure his account is secured make sure no illegal withdrawals are made, by putting up security measures, so he later understood and thanked us." (Manager).

### 7. Are there routines for handling customer complaints? In such cases do you believe that it has led to increased customer satisfaction or retention?

The answer is yes for all the managers as they stated that there are designated platform officers trained and recruited solely as customer solution or support staff to handle customer complaints at any time. To the managers, proper handling of customer's problems or complaints leaves the customer happy and in turn satisfied. If a customer has a problem and someone comes to him to explain the reason why a particular thing occurred, he will be happy. The reverse will be the case if banks allow conflicts to escalate without immediate provision of solution. The earlier problems are solved, the better for the bank.

# 8. Do you prefer to work with a few selected "value-creating" customers or try to encourage as many new customers as possible? Why?

Managers in this question acknowledged that they focus only on the valuecreating customers this is as a result of the nature of Nigerian banking industry where emphasis is laid on deposit and growth of the balance sheet. This singular reason made many banks to focus on key customers, providing them with all the services they need to be able to retain them. They believe they are the reason why they are still in business plus huge profit they gain from them and therefore will not leave any stone unturned in trying to retain such customers. "We purely concentrate on the value creating customers because of the nature of our bank. Banks are rated at the end of financial year on profit basis; therefore concentrating on value creating customers will help us to grow our deposit" (Manager)

### 9. What efforts do you make in order to satisfy your customers through customer service?

Mangers stated that they have different ways of making efforts in order to satisfy their customers through customer service. Like: Prompt resolution of issues, delivering on commitments like account opening timeframe, cheque book delivery, cards, easy mobile and internet banking sign-on, making sure that customers are well attended to and on time. Making sure that mistake on the part of bank staff is curbed. Creating avenue for customer's complaints to be heard and attended to. Communicating with the customers to know what their needs are and see how to proffer solution, making sure that customers leave the bank with smiling faces. Organizing seminars to introduce our products / services to all existing clients and prospects in addition to that, joining all activities organized by clients, social activities etc. Proactively approaching clients to understand their exact needs and tailoring our products to respond to such demands. Calling / visiting clients on a regular basis. These efforts are geared towards customer satisfaction.

# 10. What are the challenges experienced in the application of relationship marketing?

The challenges experienced by banks in their attempt to apply relationship marketing as enumerated by bank managers include: Failure in service delivery as a result of system failure; Stiff competition in the industry which makes long term relationship difficult; Difficulty in managing customers; CBN (Central Bank of Nigeria)/ government regulations which make some transactions which would have benefitted customers difficult; company's policy on where to bank; difficulty in having perfect knowledge of customer needs and unstable consumer wants; Poor branch network which makes access to banking services difficult; Knowledge gap in products. There is also problem of incessant fraudulent activities on customer's accounts and ATM disputes. Some customers operate different accounts in different

banks without any level of commitment in those banks because he wants to benefit from them.

From the interview it was observed that relationship marketing in Nigerian banking industry is still in infant stage and needs more orientation and insight.

### 11. Out of the challenges mentioned above which one do you think is more serious and why?

Out of the numerous challenges listed above, managers believe that service failure is the most critical challenge. They believe that customers easily feel bad when there are lapses in service delivery. When customers are dissatisfied the outcome can be disastrous to a bank. One may come out of all other challenges strong but once there is service failure, most times you lose out on good percentage of those businesses. Customers feel terribly bad when they witness service failure. For instance Nigerian banking industry have been facing one major problem which is poor internet/network system which sometimes make customers queue longer than expected waiting for the internet link to be up thereby destabilizing ones program for the day. The managers pointed this out as a major challenge in the industry which is capable of ruining all relationship marketing efforts.

### 12. How do you communicate with your customers?

Managers pointed out that they communicate with their customers through mobile phone calls, electronic mails, interacting with them on daily basis during business transactions, text messages, and visitations where business discussions are made.

## 13. How important is communication in maintaining a long-term relationship with your customers?

On the importance of communication in maintaining a long term relationship with customers, managers reiterated that it is a factor that cannot be neglected. They believe that since communication is a two way thing, it helps them relate the position of the bank to customers, and helps you to understand his own position as well and this feedback particularly from customer can help banks to improve on their products and services. Meaningful communication is very important in maintaining strong relationship with customers in the sense that through it you get to know the needs or problems of the customers and know how best to tailor your services and products to

suit them. Communications also tell dissatisfied customers what the organization is doing to rectify the causes of dissatisfaction, informs the customers about their products and services; informs them about changes.

Managers believe that communicating with your customers gives them that sense of friendship and affection and it is capable of drawing them closer. When there is effective communication between an organization and its customers, a better relationship will result and customers will be more loyal.

# 14. Do you change your working procedures in order to adapt to your customer's needs? Please explain why?

In this question, managers have divers view on changing working procedures in order to adapt to customer's needs. Manager who said yes, highlighted that they change some working procedures only for their value- creating customers because of the revenue they generate for the bank and on the other hand to make them happy. For managers whose response was no, they highlighted that their response was based on the position of the bank in respect of the banks policy unless they get approval from a higher authority. The reason is that some customer needs may be against bank's policy or the regulation of the Central Bank of Nigeria which has been the experience in the industry.

# 15. Do you provide customers with additional personalized services, If yes how? If no: why?

All the managers answered yes in this question which shows that they provide customers with additional personalized services. They believe that in an attempt to retain or establish a meaningful relationship with customers, there is need to sometimes go extra miles in order to give make your customers happy give them special attention. The personalized services according to managers include: Cash pick-ups and cash delivery to and fro customers in that case they do not have to come to the bank for some transactions, sending balances, statements of accounts. They highlighted that these personalized services are for some high profile customers who do not need to come to the bank for some transactions; services are rendered to them anywhere irrespective of time; though it can sometimes be tedious and risky.

### 16. How do you use relationship marketing to identify and prevent your defecting customers from switching to competitors?

Managers here believe that through communication and day to day interactions with the customers, their desires and interests can be discovered which helps the bank to monitor them effectively. Most times outside the banking area and on a personal visit or during occasions, you build trust and confidence with them that they begin to let you into few secrets one of which may be a competitor who is trying to have them. This will make you study your competitor and re-strategize while you make frantic effort to surpass what they may offer him/her.

Another way identified my managers through which customer defection is prevented is in the area of service provision, making sure that banks deliver on promised services, for instance being prompt in opening customers' accounts and releasing withdrawal slips, cheque books, ATM cards and so on. Then by communicating with them you find out their problems especially when they are dissatisfied or have any issues with the bank, this grants you the opportunity to provide professional advice and correct whatever that is causing that dissatisfaction, by doing this you are preventing the customer from going to the competitors. Therefore in attempt to prevent customers from defecting to your competitors there is every need to have a very close relationship with the customers.

### 17. How does your bank go about finding the needs of your customers?

Managers stated that the needs of customers are discovered through day to day interactions with them, when there is exchange of meaningful information. Basically many banks find the needs of their customers through customer feedback system, customer surveys, through net promoter score where customers are called to know what they want which helps to serve them better.

# 18. Do you regularly monitor and analyze customers' behavior and characteristics (that is customers' details, historical records, demographics, preferences, lifestyle and personal habits?

Managers have different opinions when it comes to monitoring and analyzing customers' behaviors and characteristics. While some answered yes, others answered no. For those whose answers are yes, it simply shows that they monitor and analyze customer's behaviors through their data base of all the customers. Those who

answered no said that the nature of Nigerian banking industry makes a lot of managers to overlook this area. From the interview, it was discovered that so many banks are lagging behind in this area in the sense that they have not taken it seriously.

### 19. How involved are the customers in the creation of bank products and services?

Managers believe that customers are very well involved in the creation of their products and services. One of bank's quality policies is summarized as customer's first. Banks according to managers they gather their ideas of what the customer wants during customer's forum or repeated feedback from them or complaints on products offered then products are designed accordingly. Products are designed to benefit the customers in as much as banks make their gains from the transaction through charges as well.

### 20. Does the bank place more weight on keeping existing customers or on attracting new ones?

The interview shows that all managers place more weight on both existing customers and attracting new ones as well because of the level of competition in the industry.

### 21. How can relationship marketing be used to retain customers?

Managers believe that customer retention is the hallmark of relationship marketing and that relationship marketing is aimed at retaining customers, therefore when the right principles of relationship marketing is applied efficiently, customer retention will be assured. To them "good relationship marketing makes you WOW your customer. When they understand you attended to them exceptionally, they are loyal to you, thus retention is assured" (Manager). They believe that if there is a cordial relationship between customers and the bank, where there is commitment, trust, bond, honesty, good customer service and effective communication etc. retention is assured.

#### **4.2.2 Interview with Customers**

### 1. What would you say is the reason for having maintained your account in your bank?

So many answers were given by customers as the major reasons for maintaining their account with their various banks. Like: Good reputation of the bank, strong and reliable financial services of the bank, good relationship with customers, attractive offers, safety, and source of business contact. Some also stated that they feel secured and confident in their banks, special attention given to customers.

"The outstanding customer service relationship, willing to assist during deposit and withdrawals has been the major reason of my loyalty and I have never had any problem with them" (Customer).

To this customer, unique customer services rendered to customers was the basis for his continued maintenance of his account with his bank. The customers pointed out that they cannot maintain account in a bank whose financial base or status is shaky or found to be unreliable because of their experience in the past when some banks collapsed as a result of bankruptcy or liquidations. They are of the view that they cannot thrust or risk their money in banks that are not strong.

### 2. Are relationships important in business? Why?

From the interview, all the customers acknowledged that relationship is very important in business. They believe that relationship is the foundation of greater achievement in business and good relationships are very important in business in order to foster customer loyalty and retention. No business can survive without cordial relationship, maintaining good relationship with customers can make them to be more loyal to the brand. They also stated that healthy business relationships are important to promote loyalty and trust, as well as longevity of partnership. Therefore good relationship is very important in every business because that is the first step towards getting a customer.

### 3. What factors are important in a relationship with your bank? Why?

Many factors were enumerated by customers as being important in establishing a good relationship with their banks. For example: Relationship of trust, honesty, accountability, commitment, quality service and satisfaction, empathy, effective communication, easy access to account, conducive environment, ability to resolve issues amicably, turnaround time in dealing with customers (meeting up with specific time given to attend to a customer).

The customers believe that these factors are important because of the fact that no meaningful relationship will exist without having them in place.

### 4. What do you think needs to be done in order to improve these factors in your bank?

Customers highlighted that it is important for banks to improve on all the factors mentioned in question 3 and build cordial relationship with customers thereby treating customers nicely, listening to their problems and finding adequate solution as soon as possible, maintaining trustworthiness, training staff on effective customer service to be able to know the best way to handle customers.

# 5. What do you expect your bank to do in order to maintain a relationship with you?

The customers stated that for their banks to maintain a relationship with them they expect them to have good communication with them, be trustworthy, sincere, and prudent and delivering on their promises. This is one area customers have found bankers to be guilty, making so many promises at the time of account opening without fulfilling them later on as the relationship progresses.

They also expect the bank to have satisfactory services, being nice and polite to customers as harsh, impolite and aggressive behavior as exhibited by some staff that lacks the patience to deal with customers would not benefit them. They also stated that good services should extend outside the bank and banking hours. Customers tend to feel warmly thought of when treated as first class, no matter the type of account they operate. Banks can play key roles for their customers at all levels especially with little details such as remembering birthdays, anniversaries, supporting a good cause, and so on. They need to ensure security of customers' funds thereby protecting their information to avoid being making their account susceptible to hackers. Good offers, making provisions for easy banking.

#### 6. What do you think will make you to switch over to another bank?

A lot of factors were enumerated by customers, which they think will make them switch over to another bank. For example: when the services of the bank become very bad customers' satisfaction is not guaranteed, if there is lack of confidence, loss of trust and accountability in the banks, if there are discrepancies in their account, if the bank is shaky in terms of their liquidity and when the bank is no longer strong as to guarantee the safety of funds, If the fees are very high, fraudulent staff. Better offers or incentives from the competitors and inadequate branch network for easy access to banking services anywhere and anytime.

## 7. Does your bank provide you with additional personalized services? Give examples.

Customers have different views when it comes to whether their bank provides them with additional personalized services. To those who answered yes, they stated that their bank gives them some preferential treatment in terms of special attention when there are so many queues, providing them with free financial advices and so on. For those who answered no, they complained that banks only give additional specialized services to their important customers because of the value they generate from them.

## 8. How important do you think customer service is, in increasing your satisfaction in your bank?

All the customers acknowledge the fact that customer service is very important in increasing customer satisfaction. They believe that excellent customer service is a very important factor because it leads to customer satisfaction. Customer service to them should be a priority for any bank who wants to progress. It is an indispensable factor that cannot be neglected. Customer service is very crucial because it is the basis of any business. If customers are well treated they will be willing to continue with the bank but if they are not well treated they will go. If customers' needs are not met let alone exceeded their satisfaction rate reduces. They also stated that they feel satisfied when they have been given the right services they need and treated nicely. And can only have business with bank that treats them fine and have their needs at heart.

### 9. How much contact do you have with your bank?

Overwhelming majority of customers acknowledged that they do not have much contact with their banks regularly except when they come for transactions in the bank and the text messages they normally send during festive periods like: Christmas, New Year and Birthdays.

### 10. Have you ever had any problem with your bank? And how was it resolved?

The interview with customers revealed that majority of them have not had any problem with their banks, those who said yes had little problem that has to do with ATM disputes which according to them was resolved amicably.

### 4.3 Content Analysis

## **4.3.1 Factors that Influence Relationship Marketing in Nigerian Banking Industry**

**Table 4.1** Frequency Analysis of Factors that influence relationship marketing in Nigerian banking Industry

Factors	Frequency	Percentage	Frequency	Percentage
	(10 Managers)	(Managers)	(20 Customers)	(Customers)
Good customer service	10	100	20	100
Trust	10	100	19	95
Effective communication	9	90	17	85
Commitment	8	80	15	75
Brand Building	4	40	2	10
Conflict handling	3	30	5	25
Knowledge of customer's needs	3	30	4	20
Empathy	2	20	3	15
Selecting the right target	1	10	2	10
Total	50	500	87	435

The factors that influence relationship marketing in building long term relationship with customers in Nigerian banking industry has seven attributes, namely: Trust, empathy, effective communication, good customer service, commitment, conflict handling, brand building, knowledge of customer's needs and selecting the right target.

The statistics (as illustrated in Table 4.1) showed that trust, good customer service, commitment and effective communication scored very high and were highlighted by both managers and customers as the major factors that influence relationship marketing in Nigerian banking industry. Other factors such as empathy, conflict handling, brand building, knowledge of customer's needs and selecting the right target scored less than 50% indicating the level of their importance.

#### 4.3.2 Application of Relationship Marketing in Nigerian Banking Industry

**Table 4.2** Frequency Analysis of Relationship Marketing Activities in Nigerian Banks (Managers)

Relationship Marketing Activities	Frequency	Percentage
	(10 managers)	%
Effective Conflict Management	10	100
Communication and interaction with customers	10	100
Ensuring good services	10	100
Additional Personalized Services	10	100
Maintaining closer relationship with customers	10	100
Customer involvement in the product creation	10	100
Visit to customers	8	80
Changing work procedure to suit customers	7	70
Financial advice	6	60
Monitoring and analyzing customer behaviors	6	60
Sponsoring customer's events	3	30
Total	90	900

Table 4.2 lists the various activities embarked upon by banks in the application of relationship marketing which illustrates the way relationship marketing

is being applied in Nigeria. The activities as enumerated by managers include the following: Effective conflict management, visit to customers, communication and interaction with customers, ensuring good services, financial advice, monitoring and analyzing customer behaviors, sponsoring customer's events, additional Personalized Services, changing work procedure to suit customers, maintaining closer relationship with customers and customer involvement in the product creation.

As conveyed in table 4.2, Effective conflict management, communication and interaction with customers, ensuring good services, additional Personalized Services, maintaining closer relationship with customers and customer involvement in the product creation scored high at 100% indicating that banks place more weight in these areas than the areas that scored low. It also indicates that different banks have different approaches to relationship marketing.

**Table 4.3** Frequency Analysis of Relationship marketing activities (Customers)

Relationship marketing	Frequency	Percentage	
Activities	(Customers)	%	
Conflict management	20	100	
Financial advice	12	60	
Personalized services	11	55	
Contact with the bank	9	45	
Bank' delivery on promises	9	45	
Personal visit to customers	8	40	
Total	69	345	

Table 4.3 shows the relationship marketing activities from the point of view of customers in which only conflict management scored high followed by financial advice. This indicates that banks are not doing greatly in the areas that scored very low as they claimed. On the contrary, based on the interview, the managers highlighted that most of the bank' relationship marketing activities such as personalized services, changing work procedure to suit customers, frequent communication etc. as indicated in this study were mainly directed to the benefit of value creating customers.

#### 4.3.3 The Impact of Customer service on Customer Satisfaction

There is a consensus on the importance of customer service to customer satisfaction between the managers and the customers. Both managers and customers share the same view on the relevance of customer service to customer satisfaction which they see as activities involved in ensuring excellent customer experience. When customers become satisfied about the value of services being offered to them and their expectation is met and exceeded, this can generate many benefits for a company this is in line with the existing literature that outstanding customer service is a key to developing customer satisfaction, building customer loyalty and retention and also generates profits by attracting new accounts and keeping existing ones (Manning & Reece, 2000).

Kotler (2000) defined satisfaction as a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance/outcome in relation to their expectation. This is in line with the findings which show that when customers are well attended to, they become satisfied. If the services are wrong, customers are automatically dissatisfied. Poor customer service experiences can undermine all efforts put forward by banks in providing quality products to customers. The importance of customer service cannot be neglected especially in this dispensation when customer expectations are changing as a result of their knowledge. In the banking industry, it is expected that turnaround time should be maintained, unnecessary delays should be cut off, promises should be kept by bank officials, and bankers should be patient with the customers realizing that they are the kings.

The managers believe that failure in service delivery kills businesses because it scares customers away. To customers, once there if there is service failure, there is no business. In the banking industry of Nigeria where the products offered by banks are invariably the same with little variations, excellent customer service should be the only distinguishing factor to be able to compete suitably.

## **4.3.4** The challenges Experienced by Banks in the Application of Relationship Marketing

**Table 4.4** Frequency Analysis of the Challenges Experienced by Banks in the Application of Relationship Marketing

Challenges	Frequency	Percentage	
	(Managers)	%	
Failure in service delivery	10	100	
CBN/ Government regulations	10	100	
Competition	7	70	
Lack of trust in banking services	7	70	
Fraudulent Activities	6	60	
Unstable customers' needs	6	60	
Managing customers	5	50	
Company's policy	3	30	
Poor branch network	3	30	
Total	57	570	

Table 4.4 illustrates the analysis of the major challenges experienced by banks in the application of relationship marketing. The challenges as indicated in the table are as follows: Failure in service delivery, competition, managing customers, CBN/government regulations, company's policy, poor branch network, fraudulent activities, lack of trust in banking services and unstable customers' needs. Failure in service delivery and CBN/government regulations were found to be most prominent challenges faced by banks scoring 100%. Failure in service delivery was in no doubt a major challenge in Nigeria mostly caused by poor internet facility which either breaks down continuously or runs in a very slow pace thereby affecting services delivered to the customers. These challenges indicate that banks still have a lot to do in order to serve their customers well.

#### 4.4 Model of Customer Retention Based on Relationship Marketing

This is an empirical model of customer retention based on relationship marketing. This is an appropriate model for Nigerian banking industry to focus upon following actions in designing their customer retention programs:

1. Development of Business Strategies, Plans and Programs: It is very important to develop an overall approach to managing customers thereby linking back to the overall corporate and marketing strategy of the company. Significant investment and changes in many banking policies, plans, programs, processes and structures are necessary for there to be development of serious relationship marketing capability and customer retention. The planning and development of these comprehensive marketing programs and tactical activities, which involves identifying the needs of customers and fashioning services to meet their needs must be effective in order to have quick design and development of value added products and services that leads to satisfaction.

Top level management has a vital role to play; since relationship marketing seeks to integrate marketing, sales and services activities; it requires business processes that involve customers to be fully integrated. In the Nigerian banking industry, customer-oriented processes however lack integration. Therefore strategies that aim at integrating customer-oriented processes need to be adopted.

2. Maintaining and Building Trust: Trust is very important in Nigerian banking industry with reference to customer's experiences in the past when banks shut down as a result of bankruptcy and liquidations which is still affecting customers' perception of Nigerian banking system up till date. It will therefore make great professional sense if Nigerian banks can move towards more credible itinerary to restore trust by fulfilling their promises, sincerity and commitment, reducing customers' perceived risk and uncertainty. Also banks should make every effort towards ensuring security of customer' funds making their personal information confidential so as to avoid fraudulent activities as a result of information leakage. The behavior of bank staff is very important as it reflects the value and attitudes of the organization providing the products. As such when customers have little experience with the bank, they base their trust on how they feel about the contact personnel.

- **3. CRM Development:** There is need to develop a customer relationship management system that is viable in Nigerian banking system. For there to be truly effective relationship marketing and customer retention, banks should first decide what kind of customer information it is looking for and what it intends to do with that information. Therefore it is very imperative to have detailed data identification, collection, analysis and interpretation of customer information to enable the detailed strategy to be implemented with confidence in the banking sector. It is important to note that customers are expensive to acquire and not always easy to keep. The marketing information system must be such give an accurate and update picture of acquisition and retention. Information provided in the relationship marketing database can prove to be of great value to all marketing and sales staff as they can use it for contact management, marketing planning and analysis. Therefore, there is need to have accurate and regularly updated marketing information system in order to monitor and analyze customers' behavior and characteristics, that is customers' details, historical records, demographics, preferences, life style and personal habits. This is important in order to respond to customers' needs and offer services according to standard criteria and desire of the customer.
- **4. Capacity Development:** For there to be successful implementation of relationship marketing in the banking sector of Nigeria, there is need to develop processes, media, systems and organizational infrastructure such as staff recruitment and training to support relationship marketing. This implies a long-term change in business culture, which will enhance the customer management strategy at different customer touch points of the bank. Intermittent staff training plan on relationship marketing management or skills are recommended, as human behaviors influence or have very important roles in customer relations.

Such training would build a customer-oriented climate in which contact staff can deliver efficient and effective services, acknowledging that customer acquisition and retention are the very essence of marketing. Therefore it will be good for the management of banks to adopt customer relations behaviors as the criteria for bank staff performance evaluations and promotions.

**5. Technological Advancement**: One of the major challenges experienced in Nigerian banking industry is service failure which results from failure in banks

internet system. This causes long queue in the banking hall and unnecessary delays which customers cannot tolerate. This singular challenge is enough to make all customer retention and relationship marketing efforts futile. Consumers are usually happy because of the increased speed of response and the capability to access information as required.

Therefore there is need for technological advancement or upgrade so as to speed up the routine aspects of business.

- **6. Improvement of Customer Experience:** It is very important for the management of banks in Nigeria, to improve their customers' experience through customer services by giving customers what they want, when they want it. Thus, identifying and satisfying customers' needs could improve bank customer services because what is offered can be used to separate their own services from competitors'. Due to the fact that banks do not provide tangible products, their service quality is usually assessed by measures of the service-provider's relationship with customers. Also, banks offer virtually the same products which make the competition in the industry stiffer; therefore the only area in which banks can distinguish themselves is in the area of the services they deliver. It is therefore advocated that banks should make it a priority to train its staff on the best way to attend to customers and to make excellent customer service their core value.
- 7. Product Knowledge: One of the most important issues for banks is to keep its customers by making sure they understand what service and products they are actually paying for. In as much as banks claim that customers are fully involved in the creation of their products, sometimes customers do not have perfect knowledge of how their account runs or the particular account that will benefit them. Banks need to make sure that all relationship managers are properly educated and up to date on which products are available and which products that addresses the needs and preferences of customers instead of deciding for them what they want and cajoling or coercing them into making purchase decisions accordingly.

#### **CHAPTER 5**

#### CONCLUSION, DISCUSSIONS AND RECOMMENDATIONS

Based on the analysis above, the following conclusions can be drawn concerning relationship marketing and customer retention in Nigerian banking industry:

The study examines so many factors which influence relationship marketing in building long term relationship with customers in order to retain them in Nigerian banking industry and found the following to be the major factors namely: Trust, effective communication, commitment, good customer service, empathy, conflict handling, brand building, knowledge of customers' needs and selecting the right target.

Good customer service is very significant in improving customer satisfaction. It was established that excellent customer service which is shaped by customer's needs and preferences plays an indispensable role in creating the desired satisfaction in customers needed for their retention. Without good customer services, customer retention cannot be established. Therefore the experiences of customers at each touch point in the Nigerian banking sector cannot be overlooked. This study advocates for a more viable means of delivering excellent customer services and making excellent customer service an integral part of banking system. This is in accordance with the existing literature that "major objective of any firm should be to serve customers' needs efficiently and effectively, and to make customer service an integral part of what the customer buys" (Kotler, 2000).

The study also evaluated the way relationship marketing is being applied in Nigerian banking industry to retain customers and concludes that it is still in its 'infancy stage' due to some reasons. There is lack of proper understanding of the concept of relationship marketing and its application among banks and some banks have not properly understood the terms and hence assess the implications of this paradigm shift in the marketing practices of their banks. Also the data base system prevailing in some banks is poor in the sense that information on which the plan is based does not reflect realities and relevant information on the needs and preferences of the customers. Banks have information base system that is not effectively utilized

in order to regularly monitor and analyze customers' behavior and characteristics (that is customers' details, historical records, demographics, preferences, lifestyle and personal habits.

This research has succeeded in identifying the challenges experienced by banks in the application of relationship marketing which ranges from: Failure in service delivery, the level of competition in the industry; Difficulty in managing customers; CBN (Central Bank of Nigeria)/ government regulations; company's policy on where to bank; difficulty in having perfect knowledge of customer needs and unstable consumer wants; Poor branch network; Knowledge gap and incessant fraud. Service failure and CBN/ government regulations were found to be the most crucial among all the challenges enumerated by banks.

#### 5.1 Discussions

In this study, several factors influencing relationship marketing in building long term relationship with customers were enumerated but the most important ones were selected as follows: Trust, effective communication, good customer service and commitment.

Concerning trust, the findings indicate that the respondents perceived trust as being imperative in an attempt to establish, maintain and enhance meaningful and long lasting relationships with customers with the aim of retaining them. Trust is very important in Nigerian banking industry because of the past experiences of customers between 1993 and 1998, as highlighted by Chinedu, Edith and Michael (2012), Okoduwa (1995) and Ehigie (2006), when so many banks collapsed as a result of failures and irregularities which affected customers adversely as many of them lost huge sums of money and assets. These incidences led to customer's loss of trust in banking services which has shaped their perception of banking industry up till date. Therefore it is important that banks make conscientious efforts towards restoring that trust by demonstrating solid financial base. In accordance with existing theories and past researches, trust has been identified as an indispensable tool in relationship marketing customer retention because it creates high valued relationship (Morgan and Hunt, 2003). The respondents believe that without trust no business can be carried out. This further stresses the importance of trust as highlighted by researchers in existing literature and this agrees with the conclusions in existing theory about trust.

Findings further indicate that effective communication is very important in building long term relationship with customers. Regular communication according to the respondents on the side of the bank managers, not only help banks to relate information about their products and services to the customers but also help them to know more about their customers. Although this view by the managers was not in accordance with the responses gathered from the customers who highlighted that they hardly communicate with their banks. This simply shows that what they do in principle is different from what they do in practice, therefore it is important for them to look seriously into this direction and develop appropriate channels for effective communication with customers. Previous researches have highlighted the importance of communication in relationship marketing which have been referred to as a veritable tool which companies cannot do without because of its relevance in building successful relationship (Keown, 1998). Past researches on relationship marketing in banking industry indicate that through effective communication, dissatisfied customers are made to understand the efforts of the bank to serve them better and also with meaningful communication, loyalty and better output are ensured as highlighted by Jeourshari, Teleghani and Toochaei, (2012) in their research on relationship marketing.

Regarding good customer service, the result shows that respondents both from the manager's side and customer's side see good customer service as a very key factor that influences relationship marketing and has great impact on customer retention. They see customer service as being the number one factor that influences relationship marketing in building a long term relationship with customers, although the result also show that banks have been lagging behind in the area of delivering excellent services and need to step up. But they acknowledged the fact that good customer service is very important in maintaining long term relationships which is in accordance with existing researches that when customers are satisfied with services, they tend to buy more, trust more and become more committed to the relationship which in-turn aids their loyalty and retention (Manning and Reece, 2000; Inghilleri and Solomon, 2010).

Concerning commitment, the result show that it is an important factor in relationship marketing and customer retention as relationships are built on commitment to one another and relationship does not seem to exist where there is no

commitment. The respondents believe that commitment induces loyalty and retention of customers. This is in conformity with the existing researches and literature that commitment which emanates from trust serves as a binding factor among partners and a very important factor in building long term relationship aimed at customer retention (Ndubuisi, 2007; Morgan and Hunt, 1994).

It is surprising to note that in the existing literature and previous studies, so many factors were identified as the major defining factors of relationship marketing which did not appear in this present research. They include: Bonds, Cooperation, shared values, conflict handling, power, empathy, interdependence etc. Conflict handling appeared in this present study but was not considered as a major factor of relationship marketing because of the peculiarity of the study to Nigerian situation.

On the way relationship marketing is being applied in Nigerian banking industry, the result indicates that relationship marketing is still in its developmental stage in Nigerian banking sector and its procedures and implementation has not been fully utilized. Although some banks claim that they practice relationship marketing, they lack full understanding of its tenets and operation. This however has adverse effect on customer retention. However, they engage in some activities which they considered relevant in establishing long term relationship with customers with the hope of retaining them. Example of such activities include: Communicating and interacting with customers effectively, ensuring good customer service, financial advice, monitoring and analyzing customer behaviour, providing additional personalized services, changing work procedure to suit customers, involving customers in the product creation, maintaining closer relationship with customers and effective conflict management. However, the findings also show disagreement on the side of some customers in these areas highlighted by managers indicating that they do not experience most of the services mentioned above. This indicate that banks concentrate more on their value creating customers and channel all the benefits mentioned above to them. This agrees with previous researches and theories on relationship marketing which recognizes that relationship marketing emphasizes on maintaining long term relationship with existing key value creating customers instead of attracting new ones and increasing customer base.

On the impact of customer service on customer satisfaction, the result show that good customer service increases the level of customer satisfaction. This therefore means that when customers have negative experiences from services delivered by the bank, they feel dissatisfied and their retention is further threatened. Past researches and theories have advocated for organizations to have excellent customer service aimed at giving customers good experience that will make customers to be satisfied, loyal and willing to remain with the brand. Therefore good customer service is required in relationship marketing in order to retain customers.

Furthermore, the findings of this research identified various challenges faced by banks in the application of relationship marketing. The result indicated that the major ones include: Failure in service delivery as a result of break down in technological facilities, Central bank of Nigeria/ government policies which makes certain transactions impossible, lack of trust in banking services based on past experiences of customers, difficulty in managing customers, competition in the industry which makes customer retention a difficult task, fraudulent activities on accounts and unstable nature of customer's needs. These challenges indicate that Nigerian banks have a lot to do to address these militating factors especially in the area of service delivery in order to have successful relationship marketing and customer retention. These challenges are peculiar to Nigerian banking industry and as such differs from what is in existing researches, although there are similarities in a research conducted by Odour (2008) on the effects of relationship marketing on customer retention in the Kenyan banking sector, which featured similar challenges like: Fraud, competition and unstable consumer needs. From the foregoing it is important to note that challenges faced by banks might be different depending on their culture and nationality or on what is obtainable in their environment.

#### **5.2 Recommendations**

#### 5.2.1 Recommendations from this study

For the bankers, it is important for banks to have a proper definition of their business, taking into consideration what customers say, the choices they make and the type of relationship they want from the businesses thereby making sure that the information on the customer data base is regularly monitored, updated and as 'fresh' as possible and that it comes as directly as possible from the ultimate source, the

customer or from staff who manages them. This will help banks to have the capacity to monitor and analyze customer's habits and characteristics in order to attend to their preferences and desires.

Furthermore, banks customer services could be improved by identifying and satisfying their needs of customers because the services offered can be used to distinguish own offerings from competitors' especially in Nigerian banking system where all the banks have virtually the same products. As a way forward towards achieving this and avoiding customer defection, customers who hold accounts with competing banks could be studied intermittently as a strategy, so as to identify what aspects of services that customers enjoy in competing banks that are not present in own bank. This design will help banks to re-strategize and compete favorably with other banks.

Relationship marketing and management as well must become part of the responsibility of every bank staff or everyone that makes policy and manages contacts with customers; creating appropriate and viable communication channel, strengthening the level of customer' trust in their products and services. The staff also needs to be empowered so as to manage the customer relationship efficiently, making sure that some people are totally accountable for it.

For Nigerian banks to thrive successfully in the midst of stiff competition in the industry, effective awareness needs to be created to aid application of relationship marketing skills. Therefore it is recommended that the management of banks should adopt strategies, plans, procedures and programs that will provide favorable ground for excellent implementation of relationship marketing.

For customers, there is need for them to stick to one service provider in order to enjoy some benefits from the bank accrued to loyalty. From all indications banks are willing to reward their loyal customers immensely for their patronage, but when customers run around without having serious commitment they lose some benefits. Since the concept of relationship marketing emphasizes mutual benefits between the service provider and customers, this implies that the two parties are expected to benefit; therefore there is need for commitment on the side of the customers as well, in as much banks are making attempts to serve customers well to the best of their capability.

Moreover customers should be very clear and stable in their expectations. Part of the problems banks face in the application of relationship marketing is unstable consumer wants which makes banks to be confused. It is therefore necessary for customers to clearly stabilize their desires and expectations by giving detailed and correct information about them to the bank which will help banks to provide excellent services to them.

To the government/ Central bank of Nigeria, it is recommended that some of the strict policies be relaxed to enable banks conduct some business transactions which could not be possible. Such policies include high interest rates over very low percentage rate on customer's fixed deposit; high interest rate on Advanced Payment Guarantee (APG) and high ATM charges.

#### 5.2.2 Recommendations for further research

In future, it is recommended that researchers could make attempt directed towards conducting a research on this present topic 'Analysis of the Relationship between Relationship Marketing and Customer Retention' in other service sectors/industries in Nigeria like hotels, restaurants, tourism, advertising services, healthcare etc. or in any other cultural environment and countries of interest to researchers.

Although the present research focused on general banking services, more specific research could address each of the services provided in the banking industry, like current, savings and electronic accounts, rather than combining all as is the case in the present study.

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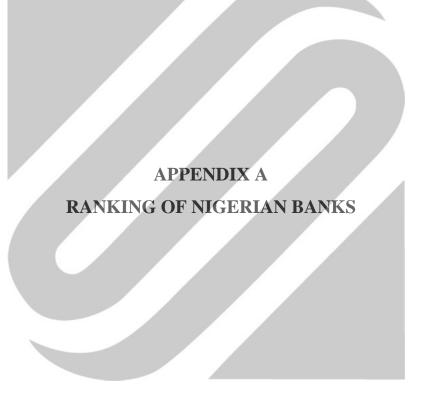
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Ranking of Nigerian Banks

S/N	NAME OF	PROFIT	SHARE-	TOTAL	GROSS	CUSTOMER
	BANKS	BEFORE	HOLDER'S	ASSETS	EARNING	DEPOSIT
		TAX	FUND			
1	Zenith Bank	N110.59b	N509.3b	N3.14tr	N351.4b	N2.27tr
	Plc					
2	Guarantee	N107.09b	N332b	N2.1tr	N242b	N1.44tr
	Trust Bank					
	Plc		7 4			
3	First Bank	N76.85b	N350.71b	N3.25tr	N285.44b	N2.57tr
	of Nigeria					
	Limited					
4	United Bank	N5.1.84b	N259.54b	N3.14tr	N214.27b	N1.797tr
	for Africa					
	Plc					
5	Access	N44.9b	N172b	N1.84tr	N207b	N1.33tr
	Bank Plc					
6	Diamond	N32.1b	N138b	N1.5tr	N181b	N1.20tr
	Bank Plc					
7	Stanbic	N24.61b	N321.75b	N 763b	N111.2b	N416.3b
	IBTC					
8	First City	N18.2b	N144b	N1.008tr	N131b	N715.2b
	Monument					
	Bank Plc					
9	Skye Bank	N17.13b	N94b	N1.11tr	N127b	N996b
	Plc					
10	Eco Bank	N11.65b	N9.246b	N1.146tr	N177b	N1.118tr
	Plc					

Source: Adapted from Akanbi, 2014.

## APPENDIX B INTERVIEW QUESTIONNAIRES

#### INTERVIEW QUESTIONS FOR MANAGERS

- 1. What impact do you think customer service creates towards customer satisfaction?
- 2. What factors are important in building banking relationships with customers and why?
- 3. Can you describe the current levels of the factors mentioned in the previous question in your bank?
- 4. Can you provide some information about your relationship marketing activities?
- 5. How has 'Trust' between the customer and the bank affected the relationship that the bank have with its customers?
- 6. How do you resolve conflicts with your customers? Please give an example if possible?
- 7. Are there routines for handling complaints? In such cases do you believe that it has led to increased customer satisfaction or retention?
- 8. Do you prefer to work with a few selected "value-creating" customers or try to encourage as many new customers as possible? Why?
- 9. What efforts do you make in order to satisfy your customers through customer service?
- 10. What are the challenges experienced in the application of relationship marketing?
- 11. Out of the challenges mentioned above which one do you think is more serious and why?
- 12. How do you communicate with your customers? When?
- 13. How important is communication in maintaining a long-term relationship with your customers?
- 14. Do you change your working procedures in order to adapt to your customer's needs? Please explain why?
- 15. Do you provide customers with additional personalized services, If yes how? If no: why?
- 16. How do you use relationship marketing to identify and prevent your defecting customers from switching to competitors?

- 17. How does your bank go about finding the needs of your customers?
- 18. Do you regularly monitor and analyze customers' behavior and characteristics (that is customers' details, historical records, demographics, preferences, lifestyle and personal habits?
- 19. How involved are the customers in the creation of bank products and services?
- 20. Does the bank place more weight on keeping existing customers or on attracting new ones?
- 21. How can relationship marketing be used to retain customers?

#### **INTERVIEW QUESTIONS FOR CUSTOMERS (FOCUS GROUP)**

- 1. What would you say is the reason for having maintained your account in your bank
- 2. Are relationships important in business? Why?
- 3. What factors are important in a relationship with your bank? Why?
- 4. What do you think needs to be done in order to improve these factors in your bank?
- 5. What do you expect your bank to do in order to maintain a relationship with you?
- 6. What do you think will make you to switch over to another bank?
- 7. Does your bank provide you with additional personalized services? Give examples.
- 8. How important do you think customer service is, in increasing your satisfaction in your bank?
- 9. How much contact do you have with your bank?
- 10. Have you ever had any problem with your bank? And how was it resolved?

## APPENDIX C INTERVIEW TAPE MANUSCRIPTS

#### INTERVIEW TAPE MANUSCRIPT FOR MANAGER 1

## 1. What impact do you think customer service creates towards customer satisfaction?

Customer service is about everything you should deploy to get, maintain and satisfy your customers who are the life / blood of every business. Thus without over emphasizing this, customer service has a total impact on the growth of any firm/ business. Good customer service breeds satisfaction in customer. There is a relationship between the two, customers cannot be satisfied without having experience of excellent customer service. Therefore customer service empowers satisfaction.

## 2. What factors are important in building banking relationships with customers?

In building banking relationships with customers, it is necessary to have a clear focus on customer's wants and needs. This will help you tailor your products to suit them perfectly. One should also impact the right attitude and disposition to people or staff, plan on sustainability of business which help build trust overtime and make sure the standards are competitive.

## 3. Can you describe the current levels of the factors mentioned in the previous question in your bank?

My Bank has core values which are centered on customers, professionalism, sustainability and excellence. Each of these factors are on a pedestal of its own and we seek to attain and maintain the highest level on each segment. Customers should also be able to trust you and have confidence in you.

## 4. Can you provide some information about your relationship marketing activities?

Relationship marketing is a chain reaction and starts even at the point of planning, meetings, decision taking, implementation of such and maintenance at which point you try to resolve customer's complaints immediately and avoid a repeat of such. We do a lot to maintain good relationship with our customers, through effectively communicating with them to find out what their business problems are and find the best possible way to deal with it by providing professional advice.

## 5. How has 'Trust' between the customer and the bank affected the relationship that the bank have with its customers?

Trust is a basic fact or need for a banking relationship. We generally believe you can't win a business if the trust is not there. Potential customers or prospects are those who have built trust and confidence in you. Therefore trust is very important in shaping the relationship between the bank and its customer especially in banking industry where money is involved and people do not joke when it comes to money.

## 6. How do you resolve conflicts with your customers? Please give an example if possible?

Overtime this has been a challenge for most firms because a dissatisfied customer can disrupt sales in future and prevent growth for your business. We have deployed a platform called the issues management system where complaints are logged on and streamlined to the particular unit to handle. Feedbacks are expected within 24 hours maximum or referred to the right quarters as the case may be. Subsequently, we go on to maintain covenants or agreements to avoid re-occurrence of same. Example is a debit of COT-commission on turnover for N2/mille where we earlier offered N1/mille. The excess funds were reversed into the customer's operating account on resolution of the issue that has been logged on.

# 7. Are there routines for handling customer complaints? In such cases do you believe that it has led to increased customer satisfaction or retention? Yes, just like I explained above. Designated platform officers are trained and recruited solely as customer solution or support staff. Once in a while the bank make calls to her customers to know if they have challenges in any product or services they enjoy with us. This is what we call the net promoter score.

## 8. Do you prefer to work with a few selected "value-creating" customers or try to encourage as many new customers as possible? Why?

Yes, in my jurisdiction as the manager, I believe in the critical mass who give stable deposits and values. We do not encourage concentrated transactions except for few unique sectors like cooperate banking units where set criteria are marked out for qualified customers in the category. It also depends on the

value you wish to create; the new customers might be the value you want overtime. Most people start small but when they build confidence and trust, they plunge in wholly and also bring referrals to you.

#### 9. What efforts do you make in order to satisfy your customers through customer service?

Prompt resolution of issues, delivering on commitments like account opening timeframe, cheque book delivery, cards, mobile and internet banking sign-on etc. you basically do everything to keep your customer and for them to only think of you as a bank.

### 10. What are the challenges experienced in the application of relationship marketing?

The challenges include: knowledge gap in products or applications, branch network, products not specific to customer's needs, network challenges, service failures even at third party level, government or CBN policies etc.

### 11. Out of the challenges mentioned above which one do you think is more serious and why?

I think one may come out of all strong but once there is a service failure, most times you lose out on 75% of those businesses. Nobody wants to be sad doing business.

#### 12. How do you communicate with your customers?

We communicate via mobile phones, mails, text messages, visitations (oral or via body language), making sure that there is meaningful understanding between the bank and customers especially on each other's position on a particular issue.

#### 13. How important is communication in maintaining a long-term relationship with your customers?

Communication is a two way thing and it is very important in maintaining long term relationship with customers. It helps the bank to relate their position to customers, also for bank to understand customer's position as well and this feedback particularly from customer can helps our bank to improve on our products and services, with that we can retain customers and tap into similar opportunities around us. Thus it adds to the growth in the industry.

#### 14. Do you change your working procedures in order to adapt to your customer's needs? Please explain why?

Yes these are important because of changes that are inevitable e.g. pricing conditions or documents like shipping documents etc usually affected by government and regulatory body's decisions. All these are in bid of maintaining existing customers and attracting new ones.

#### 15. Do you provide customers with additional personalized services, If yes how? If no: why?

Yes we provide additional personalized services depending on who is involved, that is a way to survive in a competitive environment. Most times little things like sending balances, statements, text messaging, attending birthdays, parties, thanksgiving services, weddings with gifts. They are personal things you offer to keep your customers.

#### 16. How do you use relationship marketing to identify and prevent your defecting customers from switching to competitors?

Most times outside the banking area and when you visit on a personal note or for occasions, you build trust and confidence that they begin to let you into few secrets one of which may be a competitor who is trying to have them. This will make you study your competitor and re-strategize while you make frantic effort to surpass what they may have offered him or her.

#### 17. How does your bank go about finding the needs of your customers?

Basically through our net promoter score where we call customer to know what they want. We also relate through fliers and idea forums.

## 18. Do you regularly monitor and analyze customers' behavior and characteristicsthat is customers' details, historical records, demographics, preferences, lifestyle and personal habits?

Yes all of these comes into play once in a while especially when sometimes you send forms across to customers to know their savings, borrowings, transactions or insurance needs. In the cause of reactivating accounts too you also see the root cause and take measures to avoid such account going into dormancy again.

#### 19. How involved are the customers in the creation of bank products and services?

Customers are involved in the creation of bank's products because it is designed to help them. This is enshrined in our quality policy which is summarized thus: 'customer's first'. These are ideas we gather during customer's forum or repeated feedback from them or complaints on products offered.

### 20. Does the bank place more weight on keeping existing customers or on attracting new ones?

Yes, we play on both. We revive old or dormant accounts, and make sure the existing ones are served well so that they become your advocates outside and we also make moves to attract new ones. Personally I believe that handling existing customers well makes sales easier for us as we get new ones they will constantly refer to us.

#### 21. How can relationship marketing be used to retain customers?

Good relationship marketing makes you WOW your customer. When they understand that you attended to them exceptionally, they are loyal to you, thus retention is assured.

#### **INTERVIEW TAPE MANUSCRIPT FOR MANAGER 2**

#### 1. What impact do you think customer service creates towards customer satisfaction?

Customer service has great impact on the satisfaction of customers, it creates the type of relationship that helps to know what customers want and be able to fashion out the best way to attend to them. If customers are well treated it is an automatic gateway to their satisfaction and with that their loyalty and retention will be guaranteed.

#### 2. What factors are important in building banking relationships with customers and why?

It is important to know what the customer wants that will help one to know the best way to deal with him and that will also help in building a good relationship.

Also important in banking relationship is trust, no business exists without trust especially in banking sector which deals with a lot of cash and other financial related issues.

The bank has a role to play in building a sustainable relationship with customer especially in the area of customer service and the quality of products we offer.

#### 3. Can you describe the current levels of the factors mentioned in the previous question in your bank?

The level is high because we do our best to serve our customers right.

#### 4. Can you provide some information about your relationship marketing activities?

We do a lot in order to build a good relationship with our customers. We make sure that customers do not have issues or reason to complain. When problems which are inevitable occurs we try as much as possible to resolve it peacefully. We also give certain incentives to them like gift items during events such as their birthdays, anniversaries etc. Depending on the level of our relationship with customers, we also sponsor their events.

#### 5. How has 'Trust' between the customer and the bank affected the relationship that the bank have with its customers?

Trust is inevitable in banking relationship because that's the bedrock of banking relationship. When there is lack of trust between the bank and its customers, relationship is lost.

### 6. How do you resolve conflicts with your customers? Please give an example if possible?

We resolve customer's conflicts by finding out the root cause of the conflict and proffer solution as quick as possible.

#### 7. Are there routines for handling customer complaints? In such cases do you believe that it has led to increased customer satisfaction or retention?

There are routine for handling customer's complaints because there is a designated body responsible for that and this has help us to retain our customer satisfaction.

#### 8. Do you prefer to work with a few selected "value-creating" customers or try to encourage as many new customers as possible? Why?

I prefer to work with the few that creates reasonable value for us. The reason is that they generate more reasonable profit for the bank, so it is important to work with them.

#### 9. What efforts do you make in order to satisfy your customers through customer service?

It starts from knowing what your customers want, that will help us to serve them better.

### 10. What are the challenges experienced in the application of relationship marketing?

The challenges include perseverance in building a relationship with difficult customers. Difficulty in knowing what the customer wants sometimes is a problem. Sometimes it is difficult to render excellent services due to factors beyond our control like system failures and all that.

#### 11. Out of the challenges mentioned above which one do you think is more serious and why?

I think anything that has to do with rendering services should be number one because of its impact on the customers. Customer always want quick services and response, when this is lacking it is enough to make them go to another bank.

#### 12. How do you communicate with your customers?

Answer: We communicate through our products and services, when we have a face to face encounter with customers and their feedbacks. We also communicate through phone calls, text messaging, through the internet as well, like Facebook, emails etc.

#### 13. How important is communication in maintaining a long-term relationship with your customers?

Communication is very important in maintaining long term relationships because that will help to pass reasonable information that will be beneficial to both parties involved. We communicate to tell them about new products and services that will benefit them. We also communicate to find out what they want and how best we can help them.

14. Do you change your working procedures in order to adapt to your customer's needs? Please explain why?

Yes we do, in order to adapt to customer's needs. The reason it that the customer is the king and we believe in that.

15. Do you provide customers with additional personalized services, If yes how? If no: why?

Yes, by going extra miles in serving them even after banking hours.

16. How do you use relationship marketing to identify and prevent your defecting customers from switching to competitors?

Through relationship marketing we get feedback from customers and that helps us to know when they have been given a better service in other banks and we can re-strategize based on that.

17. How does your bank go about finding the needs of your customers?

We do that through feedback system and surveys.

18. Do you regularly monitor and analyze customers' behavior and characteristics (that is customers' details, historical records, demographics, preferences, lifestyle and personal habits?

Yes, though this area has not been properly harnessed in the industry because it involves a lot and needs more time.

19. How involved are the customers in the creation of bank products and services?

They are very much involved because the products are to help them.

20. Does the bank place more weight on keeping existing customers or on attracting new ones?

We do both because of the nature of our banking system.

21. How can relationship marketing be used to retain customers?

Relationship marketing can be used to retain customers through good feedback system.

#### **INTERVIEW TAPE MANUSCRIPT FOR MANAGER 3**

#### 1. What impact do you think customer service creates towards customer satisfaction?

Customer service creates a very vital impact towards customer satisfaction because it is a series of activities designed to enhance the level of customer satisfaction. That is, the feeling that a product or service has met the customer expectation.

The major objective of any firm should be to serve customers' needs efficiently and effectively, and to make customer service an integral part of what the customer buys. When customers are satisfied with services of the bank they tend to come back, feel at home and want to do more businesses with the bank. Therefore customer service is important in increasing customer satisfaction.

#### 2. What factors are important in building banking relationships with customers and why?

- A. Customer is always right: It's true that every customer is not same. They have different views, choices, behavior etc. So the strategy should be customer oriented and its need to make sure that customers are satisfied with whatever they got. It will obviously help for building long term relationship. Though customers are not always nice but for the sake of building relationship, marketers should consider that the customer is always right.
- B. Delivering superior customer value and satisfaction: Customer value and satisfaction is the main tools to building and managing profitable customer relationship. If the product failed to meet the expectation of a customer then the customer become dissatisfied. If the customer got exactly what he expect then he became satisfied and if the product fulfill more than the expectation the customer become highly satisfied and satisfied customers repeat the purchase and tell othersabout their good experience and this way the company build a great relationship with customers.
- **C. Selecting target market:** Every human being is different, similarly every customer is different. So different strategies should apply to cope up with these different type customers. If the total market can be divided into small

segments to capture the maximum value then it will be easier to make customers happy. Target market helps to deliver more exactly what a customer need. Thus it helps to build strong customer relationship.

- **D. Trust:** In banking industry trust is very important in establishing a meaningful relationship with customers because customers need to have the confidence that their money is safe and that the bank is in a strong position to guarantee the safety of their money. People will find it difficult to do business with you if they don't trust you.
- 3. Can you describe the current levels of the factors mentioned in the previous question in your bank?

I will say that it is high even though some staff may be lagging in one way or the other.

- 4. Can you provide some information about your relationship marketing activities?
  - A. Ensuring good customer service.
  - B. Meaningful communication with customers: networks have been created through which we communicate with our customers. For example, Facebook, online banking etc.
  - C. Visiting customers: Personal visits to our customers and attending their events such as birthday parties, thanksgiving ceremonies, etc.
  - D. Presentation of gifts: we present gifts to customers during festive periods like Christmas.
  - E. Resolving issues: Resolving issues as quick as possible before it escalates into a major problem.
- 5. How has 'Trust' between the customer and the bank affected the relationship that the bank have with its customers?

Trust is a very important factor in establishing a relationship with customers.It is the belief that someone or something is reliable, good, honest, effective, etc.; therefore if there is trust automatically a relationship is established.

6. How do you resolve conflicts with your customers? Please give an example if possible?

We try to resolve conflicts as soon as possible so that it doesn't escalate. Depending on the nature of the issue we always want to assure our customers that they are the reason why we exist in business, therefore no matter what happens we try to accommodate them.

### 7. Are there routines for handling customer complaints? In such cases do you believe that it has led to increased customer satisfaction or retention?

At the head office there is a body that oversees conflict issues especially serious ones that cannot be handled by the branches. Yes it has led to customer retention because of the way our issues are handled especially when it involves our major customers.

8. Do you prefer to work with a few selected "value-creating" customers or try to encourage as many new customers as possible? Why?

Selected few value- creating customers because of the profit they generate to the bank. There are numerous accounts that do not benefit the bank.

9. What efforts do you make in order to satisfy your customers through customer service?

Making sure that they are well attended to and on time.

Making sure that mistake on the part of our staff is curbed. Creating avenue for customer's complaints to be heard and attended to. Communicating with the customers to know what their needs are and see how we can help them.

#### 10. What are the challenges experienced in the application of relationship marketing?

A. Service failure. B. Network issues. C. Competition in the industry which makes the competitors to give competitive offers. D. Policies from CBN-Central Bank of Nigeria which inhibit banks from making certain transactions. E. Bank customers in Nigeria usually have bad experiences with the use of Automatic Teller Machines (ATM), fraud associated with the use of ATMs, excessive bank charges, delay in issuance of bank statements, flawed bank statements, rude and uncultured tellers and long waiting time. These are the challenges we face in trying to maintain a long term relationship with our customers.

#### 11. Out of the challenges mentioned above which one do you think is more serious and why?

I think service failure is the most serious one because customers feel terribly bad when there is service failure.

#### 12. How do you communicate with your customers?

We communicate through phone, SMS, via internet and physical interactions.

#### 13. How important is communication in maintaining a long-term relationship with your customers?

Meaningful communication not just communication is very important in maintaining strong relationship with customers in the sense that through it you get to know the needs or problems of the customers and know how best to tailor your services and products to suit them. With this customer loyalty is assured. Communications also tell dissatisfied customers what the organization is doing to rectify the causes of dissatisfaction, informs the customers about their products and services; informs them about changes. When there is effective communication between the bank and customers, a better relationship will result and customers will be more loyal.

#### 14. Do you change your working procedures in order to adapt to your customer's needs? Please explain why?

Sometimes depending on the nature of the transaction, if it is going to be profitable to the bank, we change our working procedure to suit the situation but if not everything remains normal. The reason is that there are customers who create more value to the bank than others and we have to do anything possible to retain them.

#### 15. Do you provide customers with additional personalized services, If yes how? If no: why?

Yes but not all the customers because we have levels of customers. We provide additional services to our key customers. For instance, going for cash pick-ups and delivery for our customers, in that case they do not have to come to the bank for some transactions. When they do, we give them special attention.

16. How do you use relationship marketing to identify and prevent your defecting customers from switching to competitors?

We do that through our close contact with the customers, managing them by asking some questions which will help us to serve them better.

17. How does your bank go about finding the needs of your customers?

Through our day to day transactions and interactions

18. Do you regularly monitor and analyze customers' behavior and characteristics (that is customers' details, historical records, demographics, preferences, lifestyle and personal habits?

We are supposed to, but many banks in Nigeria don't actually have time to go through all that because sometimes we concentrate on opening new accounts without properly managing existing ones.

19. How involved are the customers in the creation of bank products and services?

They are very much involved because products are tailored to suit them

20. Does the bank place more weight on keeping existing customers or on attracting new ones?

Both

21. How can relationship marketing be used to retain customers?

Customer retention is the hallmark of relationship marketing. Relationship marketing is aimed at retaining customers, therefore when the right principles of relationship marketing is applied efficiently customer retention will be assured.

#### INTERVIEW TAPE MANUSCRIPT FOR MANAGER 4

1. What impact do you think customer service creates towards customer satisfaction?

Customer service is very essential to customer satisfaction. In fact a successful customer service enhances customers trust, commitment and loyalty. Therefore it creates a great positive impact on satisfaction if it is excellent.

2. What factors are important in building banking relationships with customers and why?

- A. Brand building: This is the intangible asset of the bank. By building brand awareness, we meant to introduce our name to as many prospects as possible. This could also be understood as penetrating to clients our trademarks.
- B. Customer satisfaction: This is the goal that our bank is aiming to win customers in our loyalty program. We have to appear very responsive to customers' needs by not only offering the same products, but also by creating and structuring more sophisticated products to meet demands.
- C. Trust: Success has to be developed on basis of mutual trust.
- D. Problem solving capability: This is very important to minimize conflict and maintain the long lasting relationship with clients.
- 3. Can you describe the current levels of the factors mentioned in the previous question in your bank?
  It is high.
- 4. Can you provide some information about your relationship marketing activities?

Relationship marketing as a concept in actual sense has not been fully known in Nigerian banking system but we do a lot to have a good relationship with our customers.

- A. Organizing seminars to introduce our products / services to all existing clients and prospects.
- B. In addition to that, joining all activities organized by clients, social activities etc.
- C. Proactively approaching clients to understand their exact needs and tailoring our products to respond to such demands.
- D. Calling / visiting clients on a regular basis especially our key customers when they have functions.
- E. Sending them gift items during events like Christmas etc.
- 5. How has 'Trust' between the customer and the bank affected the relationship that the bank have with its customers?

I believe that people do business with First Bank Plc today because of the trust they have in our system. We are not only one of the foremost banks in Nigeria but one of the strongest in terms of capital base, and this enhances the trust people have to do business with us.

#### 6. How do you resolve conflicts with your customers? Please give an example if possible?

Depending on the level and type of conflict, some conflicts are manageable while some cannot be managed depending on who is involved.

Example, we had a situation some time ago where someone made a mistake on his own account by issuing a cheque to someone without due authorization and signatures. He had expected us to pay the cheque because of the urgency of the need but it was turned down. When he came and was angry why his cheque was not honored we sat him down and educated him on the fact that we are trying to make sure his account is secured make sure no illegal withdrawals are made, by putting up security measures, so he later understood and thanked us.

# 7. Are there routines for handling customer complaints? In such cases do you believe that it has led to increased customer satisfaction or retention? There is no routine per se just that we address issues as they come irrespective of the nature.

#### 8. Do you prefer to work with a few selected "value-creating" customers or try to encourage as many new customers as possible? Why?

I prefer working with a few selected "value creating" customers because it costs less to serve selected value-creating customers than so many customers in the portfolio. In addition, loyal customers usually generate many referrals to other potential customers for the bank. But the nature of banking system in Nigeria makes us sometimes to acquire more and more numbers without really accounting for them properly.

#### 9. What efforts do you make in order to satisfy your customers through customer service?

Training: we train our staff on the best way to handle customers efficiently. We make sure that our clients have wow experience in our bank through their various touch points.

#### 10. What are the challenges experienced in the application of relationship marketing?

- A. network challenges.
- B. Branch network,
- C. Failure in service delivery
- D. CBN rules or policies which make some transactions impossible

#### 11. Out of the challenges mentioned above which one do you think is more serious and why?

I think its network challenge. This singular challenge can mar all efforts one had made to retain his customers.

#### 12. How do you communicate with your customers?

We communicate through phone, text messages, and physical contact.

#### 13. How important is communication in maintaining a long-term relationship with your customers?

Communication is important because through that one can be able to interact with customers to know their problems and know how the bank can help them and the best financial advice to give to them. Communicating with your customers gives them that sense of friendship and affection and it is capable of drawing them closer.

### 14. Do you change your working procedures in order to adapt to your customer's needs? Please explain why?

Sometimes yes sometimes no.

On top of maintaining relationship with customers, we always bear in mind to keep balance between the benefits of the bank and the customers. Having said that, we sometimes change the working procedure in order to give room for maintaining relationship and for benefiting customers, however, the change must not be against the regulation environment which is guided from time to time by either the central bank or our internal group.

### 15. Do you provide customers with additional personalized services, If yes how? If no: why?

Yes, the bank provides personalized services such as cash collection and delivery services for our key clients. And provide them with specially printed cheque books and diaries. The bank does not charge customers for those services.

#### 16. How do you use relationship marketing to identify and prevent your defecting customers from switching to competitors?

Through a closer talk with our clients and effective communication we Identify and prevent them. Maintaining a long term relationship with them, meeting and exceeding their needs help to retain them.

- 17. How does your bank go about finding the needs of your customers?

  We do that through communication.
- 18. Do you regularly monitor and analyze customers' behavior and characteristics (that is customers' details, historical records, demographics, preferences, lifestyle and personal habits?

Sometimes yes sometimes no. sometimes because of the various targets we have, we do not have the time to do that. But we keep record of our customers' transactions.

19. How involved are the customers in the creation of bank products and services?

They are involved because the products are created based on their problems.

20. Does the bank place more weight on keeping existing customers or on attracting new ones?

We place weight on both because of the nature of Nigerian banking system characterized by stiff competition.

#### 21. How can relationship marketing be used to retain customers?

Relationship marketing can be used to retain customers if it is effectively and efficiently applied. For instance if there is a cordial relationship with a customer and the bank, where there is commitment, trust, bond, honesty, communication etc. retention is assured.

#### **INTERVIEW TAPE MANUSCRIPT FOR MANAGER 5**

1. What impact do you think customer service creates towards customer satisfaction?

As far as I am concerned no organization can survive without good customer service. Customer service is very important because it enhances customer

satisfaction. With excellent customer service, customer satisfaction is guaranteed. Without good customer service there is no satisfaction.

#### 2. What factors are important in building banking relationships with customers and why?

There are many important factors in building banking relationships. They are as follows:

- A. TRUST: Trust is important because banking business hinges on trust. If you don't have trust on the bank or on the staff you will find it difficult to do business with them.
- B. COMMITMENT: When you are already a customer of the bank there is need for commitment on the side of the bank.
- C. COMMUNICATION: There is need to communicate with your customers as often as possible to create that sense of oneness and care.
- D. CUSTOMER SERVICE: Good customer service is very important because it draws customers close more and more.
- E. HONESTY: The ability to say something and actualize it. E.g. keeping to promises.
- 3. Can you describe the current levels of the factors mentioned in the previous question in your bank?

Relatively high

#### 4. Can you provide some information about your relationship marketing activities?

Nigeria is still in its infancy stage when it comes practicing relationship marketing. Generally we engage in some activities to keep our customers which include:

- A. Visiting our customers
- B. Solving their problems
- C. Giving them financial advices that will benefit them
- D. Attending their occasions and presenting them with gift items.
- E. During Christmas period we send gifts to them.
- 5. How has 'Trust' between the customer and the bank affected the relationship that the bank have with its customers?

I will say that trust is the foundation of relationship in banking sector. Trust affects relationship in the sense that if customers have trust in your bank and in your banking services they will feel secured and at home with your bank and will want to remain with you. Nobody wants to keep his money in a bank that is dying or about to collapse. Therefore trust is very important.

#### 6. How do you resolve conflicts with your customers? Please give an example if possible?

We resolve conflicts in a mature way because you know sometimes customers can be difficult depending on the type of person involved, but we try as much as possible to accommodate them irrespective of their nature.

### 7. Are there routines for handling customer complaints? In such cases do you believe that it has led to increased customer satisfaction or retention?

Yes, there is conflict resolution department where serious issues are taken to. Some issues are beyond the branch office so such cases are taken to the higher level for deliberation and resolution. This has helped to increase customer retention and satisfaction because we make sure that issues are resolved peacefully in order not to lose the customer.

#### 8. Do you prefer to work with a few selected "value-creating" customers or try to encourage as many new customers as possible? Why?

We actually do both as much as we can but we concentrate on the selected value creating customers because they generate higher profit for the bank. The nature of Nigerian banking system is such that emphasizes on profit making a lot.

#### 9. What efforts do you make in order to satisfy your customers through customer service?

We do our best to see that customers have good experience when they come to the bank. That is why we train our staff on quality customer service.

#### 10. What are the challenges experienced in the application of relationship marketing?

- A. Some customers are too difficult to manage.
- B. Some want to have all the gains at the detriment of the bank

- C. Sometimes customers are afraid of keeping huge sums of money in just one bank; therefore they have accounts in several other banks for security purposes.
- D. Some companies have a rule from their parent company to keep account in a particular bank in that case it's difficult to establish a relationship with them no matter how hard you try.
- E. Bank policies: There are issues of high competition. Banks are giving extremely competitive rates, but because of policy issue you cannot go beyond what the banks policy say.
- F. Network failure: Many times the link is down and this makes customers really angry.

### 11. Out of the challenges mentioned above which one do you think is more serious and why?

I think it's the network failure because this really makes customers very angry and can destroy your relationship efforts.

#### 12. How do you communicate with your customers?

We communicate through phone calls, text messaging, emails and physical contact.

### 13. How important is communication in maintaining a long-term relationship with your customers?

Communication is very important because through it we can keep in touch with valuable customers, provide the needed and trustable information about services, and change the services and inform the customers if there is a problem in the process of delivery.

#### 14. Do you change your working procedures in order to adapt to your customer's needs? Please explain why?

Yes sometimes we change our procedure to suit our customers but that is for a selected few key customers in order to gain their loyalty.

### 15. Do you provide customers with additional personalized services, If yes how? If no: why?

Yes, For instance, we deliver money to customers at their homes without him coming to the bank even on non-working days. Again, some customers do not

come to the bank to deposit money; we do it for them as soon as they puts a call across. We do this without any additional charges in order to retain the customer.

#### 16. How do you use relationship marketing to identify and prevent your defecting customers from switching to competitors?

By staying very close to them we could decipher when they are dissatisfied with our services or when there is problem that needs to be resolved quickly. That is why adequate communication is necessary. Communication in this direction helps us to know when competitors are giving him competitive offer and for immediate action to be taken.

#### 17. How does your bank go about finding the needs of your customers?

The needs of customers are found through interactions with them, when there is exchange of meaningful information.

18. Do you regularly monitor and analyze customers' behavior and characteristics (that is customers' details, historical records, demographics, preferences, lifestyle and personal habits?

In the actual sense we don't. Because of the nature of Nigerian banking system we find it difficult sometimes to look into the historical records of our customers.

19. How involved are the customers in the creation of bank products and services?

Products and services of the bank are created based on customers preferences to a greater extent.

20. Does the bank place more weight on keeping existing customers or on attracting new ones?

We place weight on both, because of the nature of our banking system.

#### 21. How can relationship marketing be used to retain customers?

Relationship marketing can be an effective tool to retain customers in this competitive environment if it is efficiently applied.

#### INTERVIEW TAPE MANUSCRIPT FOR MANAGER 6

1. What impact do you think customer service creates towards customer satisfaction?

Customer service is very important because when the customer service is excellent, customer satisfaction is assured. When customers are well attended to, they will be satisfied. Customer service is an integral part of every organization especially in the banking industry which deals more with services. If the services are wrong, customers are automatically dissatisfied. The importance of customer service cannot be neglected especially in this dispensation when customer expectations are changing as a result of their knowledge. In the banking industry, it is expected that turnaround time should be maintained, unnecessary delays should be cut off, promises should be kept by bank officials, and bankers should be patient with the customers realizing that they are the kings.

#### 2. What factors are important in building banking relationships with customers and why?

- A. Communication is very important because through that you will be able to find out the needs of the customers.
- B. Trust. In banking industry there is need for trust, otherwise there will be no business. This is based on the fact that we are dealing with cash (people's funds). Nobody jokes about his money and he will make sure that it's in safe hands.
- C. Honesty: banks tend to make a lot of promises to customers which sometimes they don't fulfill. There is need to be honest this will increase the trust.
- D. Customer satisfaction is a key factor in maintaining relationships with customers because when customers are satisfied they come back but when they are dissatisfied they go and never come back.

### 3. Can you describe the current levels of the factors mentioned in the previous question in your bank?

A. well, for communication, we try as much as we can to communicate with our customers but it has been difficult in the actual sense because the marketing staff has not been taking it seriously.

- B. Trust. For trust I can say that we have a great level of trust in our bank. Our bank is strong and has a strong capital base. Our customers know this fact and are confident that their funds are safe in our hands.
- C. Honesty: we try as much as possible to instill honesty in our staff and make promises we can actualize.
- D. Customer satisfaction: in as much as it is difficult to have achieve 100 percent customer satisfaction due to differences in individuals, we try our best to make sure customers are satisfied with our services.

#### 4. Can you provide some information about your relationship marketing activities?

We have many activities aimed at maintaining long term relationship with our customers.

- a. Communication: we communicate with our key customers often. This is to know what they feel about us and to know how best we can attend to them. Communicating with our customers helps us to know their problems and for us to know how best to tackle them. It also will help us to provide professional and beneficial advice to the customer.
- b. Gifts: we sent gift items annually to all our customers reminding them that they are the reason for our existence in business. We also attend their ceremonies and present gifts. This will make them know that their bank cares.
- c. Handling issues professionally: we handle customer issues amicably in a professional way, even though sometimes some customers may prove to be stubborn but we find a way to accommodate them irrespective of their nature. This is because we believe that customers are the kings.
- d. Trustworthiness: we try to maintain honesty in dealing with our customers. In banking industry the key thing is Trust. If the customer cannot trust us then he cannot do business with us. Therefore we try our best to maintain customers trust on our bank, products and our staff. We also try to make sure that our promises are delivered. In the course of engaging in aggressive marketing for new customers due to the competition in the industry or trying to consolidate existing relationships

with our customers, we tend to make a lot of promises which when not kept will lead to distrust and may jeopardize relationships. We therefore make sure that we don't make empty promises.

e. Customer service: we take our customer service seriously. We try our best to make sure that customers have wow experience in all our touch points. Touch points like- customer care unit, deposit and withdrawal counters (front desk tellers), funds transfer unit, marketing staff, etc.

### 5. How has 'Trust' between the customer and the bank affected the relationship that the bank have with its customers?

Trust is very important in our business like I said earlier. In banking industry, if there is no trust, there is no relationship. The reason is that we deal with people's money and no one jokes with that. Therefore maintaining our trust has helped us to retain our customers. They can sleep comfortably knowing fully well that their money is safe. The bank is also sound in terms of our liquidity and our capital base is intact, so there is no problem of being afraid that that the bank may be in financial trouble.

### 6. How do you resolve conflicts with your customers? Please give an example if possible?

Conflicts are resolved as soon as possible. In fact we make sure conflict resolution doesn't cross the next day, though depending on the level of the conflict. Some conflicts are big while some are small. Both are treated accordingly. Sometimes customers commit fraud on their account with the aim of blaming the bank and claiming damages, therefore it is paramount that we look into each case seriously to avoid shooting ourselves on the leg. So, we differentiate between two or more cases.

For example, sometime ago, a man cloned his own cheque and wanted to withdraw a huge sum of money, we later found out that he connived with some people to perpetrate this act on his own account so that the bank will be held responsible. This is a very serious case and a criminal one.

Another example on the positive side is that sometimes customers are short paid, when they complain we look into our records to see the truth in it and completes it.

## 7. Are there routines for handling customer complaints? In such cases do you believe that it has led to increased customer satisfaction and retention?

Yes, there are. We make sure that customer complaints are handled amicably and as soon as possible. I believe it has led to increase in customer satisfaction and retention because when complaints are handled in a matured way, the customer will be satisfied. Besides, we have a body that deals with conflicts depending on the magnitude.

### 8. Do you prefer to work with a few selected "value-creating" customers or try to encourage as many new customers as possible? Why?

Actually we work with selected Value creating customer and at the same time try to encourage growing customers. We have to make gains and create value for ourselves and the customer as well, therefore there are different kinds of customers, you may have for example 10,000 customers but only 5,000 create value for you. Therefore we make sure that the key customers that create value for us are giving personalized services because they are special, others are encouraged by giving them advises that can help them grow their businesses.

We encourage them because if their business grows, definitely their value creation will also increase.

#### 9. What efforts do you make in order to satisfy your customers through customer service?

We try to make sure that customers are well attended to and on time. We also make sure that customers are wowed at every given point of contact with any of our staff because customer service is not just the job of customer service offices but cuts across every aspects of our business.

#### 10. What are the challenges experienced in the application of relationship marketing?

The challenges include,

A. Difficulty in having 100% customer satisfaction.

- B. The heavy target from the headquarters on number of accounts opened. This makes us to concentrate on opening new accounts instead of consolidating new ones otherwise the bank may be sanctioned.
- C. Another major challenge is the poor internet system, sometimes the link will be down and keep customers waiting in queue for a long time, and this affects relationship marketing adversely.
- D. Customers attitude: we discovered that many of our customers want to benefit from different banks without being committed to them.
- E. The level of competition in the industry: banking system now in Nigeria is highly competitive and all the banks are trying to adopt the best approach or approaches to remain on top.

### 11. Out of the challenges mentioned above which one do you think is more serious and why?

I think the most serious challenge is the level of competition in the industry which led to the distribution of heavy targets. It makes the staff to find it difficult to establish a long lasting relationship, focusing on opening new accounts instead of consolidating existing ones.

#### 12. How do you communicate with your customers?

We communicate with them by calling them on phone and through emails for those who make use of them.

#### 13. How important is communication in maintaining a long-term relationship with your customers?

It is very important to communicate with your customers because through communication you will be able to find out the needs of customers and also know when they have been offended.

### 14. Do you change your working procedures in order to adapt to your customer's needs? Please explain why?

Yes, we do. They are the reason why we are in business, therefore we change some working conditions to suit them. The reason for that is to make the customer feel that he is important to the bank. With that we can gain their loyalty.

#### 15. Do you provide customers with additional personalized services, If yes how? If no: why?

Yes, we do. For instance some high profile customers do not come to the bank for transactions; we render services to them anywhere anytime, irrespective of time; though it's sometimes tedious and risky. Again, some high profile customers do not queue in lines, we call them in for special attention because they are the key customers.

### 16. How do you use relationship marketing to identify and prevent your defecting customers from switching to competitors?

Through communication and our day to day interactions with the customers, we find out their desires and interests it helps us to monitor them effectively. For instance if we find out that our competitors are giving better offer we need to do something about it. If it's beyond our powers, we seek advice from the headquarters. We maintain intimate relationships with our customer, though not all because it's a mutual thing.

### 17. How does your bank go about finding the needs of your customers? It is simple through our interactions with them and via communication.

## 18. Do you regularly monitor and analyze customers' behavior and characteristics (that is customers' details, historical records, demographics, preferences, lifestyle and personal habits?

Yes we have a data base of all our customers and we try as much as possible to analyze them as much as we can though sometimes it's difficult because of the number of customers. Sincerely we focus on the most important customers.

#### 19. How involved are the customers in the creation of bank products and services?

Customers are very much involved. Our products are designed to benefit the customers in as much as we make our gains from the transaction through charges. We get to know customers problems through communication and we design our products accordingly.

### 20. Does the bank place more weight on keeping existing customers or on attracting new ones?

We emphasize on keeping existing ones, there is no point getting new ones when we cannot maintain existing ones.

#### 21. How can relationship marketing be used to retain customers?

Relationship marketing could be used to retain customers if it's effectively applied. It entails having a perfect customer service throughout customers encounter with the bank.

#### INTERVIEW TAPE MANUSCRIPT FOR MANAGER 7

1. What impact do you think customer service creates towards customer satisfaction?

It will create customer loyalty; the customer would want to maintain his or her account and buy more of the bank's products.

2. What factors are important in building banking relationships with customers and why?

**Turn-around-time:** No customer would want to spend time more than necessary in the bank, the bank needs to meet up with the time of attending to a customer.

**Trust**: Banks should maintain their trust with every customer. Making sure the customers get the services they promised at the first registry of the account. Making sure that customers' accounts/ funds are safe, not tampered with. Secure the details/data of the customers. When there are system downtimes, do not tell customers the system will be back more than the time you promised them there will be system.

**Empathy**: Bank staff should assist every customer in need of any services irrespective of your department; Operations, marketing, cleaning, and admin; every banker is customer service personnel.

**Feedbacks**: Customers should be given the chances to perform as stakeholders by asking them what they feel could be done better to maintain relationship and err their views on the services they get.

**Follow ups**: Bank should call, attend a customer's function on invitation with befitting gifts, and visit their offices/homes to know how they are faring.

**Reason**: To make the customers feel as kings they are because "customer is king" in every business.

#### 3. Can you describe the current levels of the factors mentioned in the previous question in your bank?

Turnaround time (from tellers) and feed backs levels are still on the low side, there are high levels of trust, empathy, and follow-ups.

#### 4. Can you provide some information about your relationship marketing activities?

My bank goes to the offices of both existing and non-existing customers to pay them courtesy visits. Attends functions of any customer on invitation for individuals with gifts and uninvited to churches during harvests thanks giving, synods, and anniversaries, and make donations to them.

#### 5. How has 'Trust' between the customer and the bank affected the relationship that the bank have with its customers?

There are no current issues of mistrust; Customers have not complained or reported any activity involving mistrust. In that case, I think my bank still maintains the trust customers have in it.

### 6. How do you resolve conflicts with your customers? Please give an example if possible?

All cases are resolved amicably. Customers often face the challenges of ATM withdrawals; most a times the machines swallowed their cards and the report to the bank and everything will be resolved.

### 7. Are there routines for handling customer complaints? In such cases do you believe that it has led to increased customer satisfaction or retention?

Yes, there are two staff, apart from the customer service personnel; at the front office of the bank to attend to customers complaints. Yes, it has increased customer satisfaction and retention because no customer leaves the bank unattended to and in time; that is the desire of every customer.

### 8. Do you prefer to work with a few selected "value-creating" customers or try to encourage as many new customers as possible? Why?

Having many customers without getting value in return from them is not a good banking strategy; yet new customers are very important. Maintaining the value creating customers grows the business more.

#### 9. What efforts do you make in order to satisfy your customers through customer service?

I make sure that the tellers are in time in attending to every customer, I also make sure that customers leave the bank on smiling faces; a times I buy candies, water and cookies and keep them on the tellers' front for any customers that walks in.

### 10. What are the challenges experienced in the application of relationship marketing?

Lack of funds from the customers, difficult customer maintenance

#### 11. Out of the challenges mentioned above which one do you think is more serious and why?

Lack of funds. Because when the customer that pays in huge amount of money do not have enough cash to lodge in, it becomes a problem because it might cause low target.

#### 12. How do you communicate with your customers?

One on one, phone calls, emails.

### 13. How important is communication in maintaining a long-term relationship with your customers?

It goes a long way reminding the customer that he is important and the king.

### 14. Do you change your working procedures in order to adapt to your customer's needs? Please explain why?

Not often. In most cases, to make the customer happy.

### 15. Do you provide customers with additional personalized services, If yes how? If no: why?

No. The staff are there to assist them get any service required.

### 16. How do you use relationship marketing to identify and prevent your defecting customers from switching to competitors?

By increasing the follow up activities.

#### 17. How does your bank go about finding the needs of your customers?

Words of mouth- listening to criticism. Benchmarking- update to what others do better.

18. Do you regularly monitor and analyze customers' behavior and characteristics (that is customers' details, historical records, demographics, preferences, lifestyle and personal habits?

Yes.

19. How involved are the customers in the creation of bank products and services?

They are less involved.

20. Does the bank place more weight on keeping existing customers or on attracting new ones?

Combination of both makes good banking.

21. How can relationship marketing be used to retain customers?

Building Integrity, maintaining trust, and effective customer service.

#### **INTERVIEW TAPE MANUSCRIPT FOR MANAGER 8**

1. What impact do you think customer service creates towards customer satisfaction?

Poor customer service experiences can undermine all of organizations efforts in providing a quality product to a customer. Positive customer service experiences breed customer loyalty and satisfaction and also generate profits for the organization.

- 2. What factors are important in building banking relationships with customers and why?
  - A. Trust. B. Service quality. C. Communication effectiveness. D. Commitment. These factors are important because there will not be meaningful relationship without them. Trust and service quality for instance are the most important ones in the banking industry because of high risks and the level of services needed. You cannot establish a meaningful business relationship with a bank that is shaky or with a bank whose services has been known to be a failure.
- 3. Can you describe the current levels of the factors mentioned in the previous question in your bank?

High, though there may be need for improvement in some areas.

#### 4. Can you provide some information about your relationship marketing activities?

A. Sponsoring events. B. supporting customers by providing them with business ideas free of charge. C. Participating in their events like weddings, funerals and other personal events. C. Communicating with them as often as possible.

#### 5. How has 'Trust' between the customer and the bank affected the relationship that the bank have with its customers?

Trust is very important in banking industry because of the nature of its operation and the fact that money is involved. It is the confidence people have that no party will do anything harmful or risky to one another. Therefore if customers have this trust that their money is safe, they feel secured and in turn become loyal advocates of the brand. With this kind of trust in place customers will like to maintain good relationship with the bank.

### 6. How do you resolve conflicts with your customers? Please give an example if possible?

We resolve conflicts peacefully no matter the level of it, because of the fact that when a customer has a problem and it is not handled effectively, there is the tendency that he will tell so many people, thereby causing more harm to your organization.

For instance, there was a time a customer's account was charged beyond the usual charges, he complained bitterly about it, but by the time we stepped in and calmed him down with a promise that it will be looked into and resolved as quickly as possible which was later done and he was happy.

## 7. Are there routines for handling customer complaints? In such cases do you believe that it has led to increased customer satisfaction or retention? Yes, there are officers who are designated to handle customer complaints; they

are always there to provide their solution. To a greater extent I think it has led to the increase in customer satisfaction and retention.

### 8. Do you prefer to work with a few selected "value-creating" customers or try to encourage as many new customers as possible? Why?

Both but we put more effort on the value – creating customers because of the profit we make through them.

#### 9. What efforts do you make in order to satisfy your customers through customer service?

We are making every effort to see that customers have beautiful experience in our bank therefore we ensure that they are attended to as soon as possible. We make sure that there are no delays in account opening and release of account withdrawal slips or cheque booklets etc.

#### 10. What are the challenges experienced in the application of relationship marketing?

The challenges we have includes:

- a. Fraud: Sometimes customers complain about their accounts being hacked especially those who do a lot of transactions with cards online.
- b. System failure: sometimes the link will be down and customers will be kept at stand still point. It's very frustrating.
- c. Carelessness on the side of some staff.
- d. ATM disputes.
- e. Changes in government policies.

#### 11. Out of the challenges mentioned above which one do you think is more serious and why?

System failure is the most serious one as it affects customer service directly.

#### 12. How do you communicate with your customers?

We communicate through phone calls, through text messages visiting them and face to face communication.

#### 13. How important is communication in maintaining a long-term relationship with your customers?

Communication is very important in maintaining long relationship. The way you communicate with your customers matters a lot the body language, the facial expressions, and attitude etc. If there is effective communication, the needs of the customers will be known and services can be directed to serve customers better. We try to maintain a cordial relationship with our customers.

#### 14. Do you change your working procedures in order to adapt to your customer's needs? Please explain why?

Yes, the reason is that the customer is the king and the reason why we are in business.

#### 15. Do you provide customers with additional personalized services, If yes how? If no: why?

Yes, some customers do not need to come to the bank for some services, for example we deliver cheque books, bank statements etc. to customers in their homes without extra charges. We also give preferential treatment to our value customers.

#### 16. How do you use relationship marketing to identify and prevent your defecting customers from switching to competitors?

By maintaining a closer relationship with our customers we know virtually all about them, their families, business and personal life and know his problems too. That helps us also to know when he is dissatisfied with our services. Once we notice any discrepancies, we try to figure out a way to correct and give them better offer.

#### 17. How does your bank go about finding the needs of your customers?

We find their needs through our day to day interaction with them also through customer feedback system.

## 18. Do you regularly monitor and analyze customers' behavior and characteristics (that is customers' details, historical records, demographics, preferences, lifestyle and personal habits?

Yes, through KYC – know your customer form. This form helps us to know more about our customers and their preferences and helps us to attend to them accordingly. We analyze the form, even though this has not been taken seriously.

#### 19. How involved are the customers in the creation of bank products and services?

They are very much involved because our products and services are for them to benefit while we make our profit too.

#### 20. Does the bank place more weight on keeping existing customers or on attracting new ones?

Both.

#### 21. How can relationship marketing be used to retain customers?

Relationship marketing can only be used to retain customers if it is effectively and efficiently applied. This is can be done by engaging in activities that will help in building strong relationship, be it effective communication, treating customers well, etc.

#### INTERVIEW TAPE MANUSCRIPT FOR MANAGER 9

#### 1. What impact do you think customer service creates towards customer satisfaction?

Customer service has been increasingly recognized as a critical factor in the success of any business. To this end, it is indeed true that delivery of high-service quality to customers offers firms an opportunity to differentiate themselves in competitive markets. Therefore, high quality of service leads to customer satisfaction and loyalty and greater willingness to suggest and or recommend to someone else.

#### 2. What factors are important in building banking relationships with customers and why?

A. Trust. B. Commitment. C. Mutual goals. D. Quality of service. E. Customer knowledge. The reason is that without these factors in place there cannot be good relationship with customers.

### 3. Can you describe the current levels of the factors mentioned in the previous question in your bank?

It's high

#### 4. Can you provide some information about your relationship marketing activities?

We give them good rates in terms of fixed deposit, we pay visits to them even on personal basis, we sponsor their events and we do our best to serve them best in order to earn their trust and confident in our brand because that is very important in establishing a good relationship with customers.

#### 5. How has 'Trust' between the customer and the bank affected the relationship that the bank have with its customers?

Trust is one of the major factors that are vital in a relationship. For relationship to flourish amidst today's competition, firms must be actively committed to trust building since business now, is about fostering trust between the salesperson and the client(s). Unless you build relationships of trust with your customers, listen, learn, and respond to their changing needs, and empowering them, you will not establish an environment for long-lasting customer relationships.

### 6. How do you resolve conflicts with your customers? Please give an example if possible?

Encouraging my team to correct mistakes when they occur (not days or weeks after they have been measured). For instance we resolve ATM issues immediately. Sometimes we have network issues but we try to explain to customers for proper understanding.

### 7. Are there routines for handling customer complaints? In such cases do you believe that it has led to increased customer satisfaction or retention?

There are designated or support officers who are there to handle customer complaints and to find a solution as soon as possible. Yes, customers are satisfied when there is someone on ground to provide answers to his questions and solve their immediate problems.

### 8. Do you prefer to work with a few selected "value-creating" customers or try to encourage as many new customers as possible? Why?

We work with selected few because there is no need working with multitude that does not translate into your profit, in as much as we try to encourage the customers we see as potential value- creators.

#### 9. What efforts do you make in order to satisfy your customers through customer service?

- a. Organizing seminars to introduce our products / services to all existing clients and prospects
- b. In addition to that, joining all activities organized by clients, social activities etc.

- c. Proactively approaching clients to understand their exact needs and tailoring our products to respond to such demands.
- d. Calling and visiting clients on a regular basis

#### 10. What are the challenges experienced in the application of relationship marketing?

A. Restrictions from the CBN. B. Technological Challenges. C. Unstable nature of consumers' wants. D. Internet fraud. E. Poor service delivery

#### 11. Out of the challenges mentioned above which one do you think is more serious and why?

Poor service delivery

#### 12. How do you communicate with your customers?

Through phone calls, internet, oral communications.

### 13. How important is communication in maintaining a long-term relationship with your customers?

It's important because closer firm-client relationship is enhanced by adequate communication. It has been emphasized that communication is crucial in business relationships. Good rapport or harmonious communication between a firm's employees and its clients leads to increased client loyalty levels and thus leading to their retention.

### 14. Do you change your working procedures in order to adapt to your customer's needs? Please explain why?

Sometimes depending on the customer, we can do that for our profitable customers.

#### 15. Do you provide customers with additional personalized services, If yes how? If no: why?

Yes, sending them bank statements without charges, catch pick- ups. For our main customers we give them special attention when there is long queue.

#### 16. How do you use relationship marketing to identify and prevent your defecting customers from switching to competitors?

It is in the area of service provision, making sure that we deliver on promised services, for instance being prompt in opening customers' accounts and releasing withdrawal slips, cheque books, ATM cards and so on. Then by

communicating with them we find out their problems if any and provide professional advice.

#### 17. How does your bank go about finding the needs of your customers?

It's simply through communication, exchange of information as a result of our daily interaction with them.

## 18. Do you regularly monitor and analyze customers' behavior and characteristics (that is customers' details, historical records, demographics, preferences, lifestyle and personal habits?

Not quite often. This is one area I think we are lagging behind because we have not taken it seriously.

#### 19. How involved are the customers in the creation of bank products and services?

Very much involved because products are created out of what they want in accordance with the CBN rules.

#### 20. Does the bank place more weight on keeping existing customers or on attracting new ones?

We play on both.

#### 21. How can relationship marketing be used to retain customers?

Relationship marketing can be used to retain customers if we maintain a meaningful relationship with customers, ensuring that their needs are met, ensuring accurate service and satisfaction of customers.

#### **INTERVIEW TAPE MANUSCRIPT FOR MANAGER 10**

#### 1. What impact do you think customer service creates towards customer satisfaction?

Customer service is the service provided to customers before, during and after purchasing and using goods and services. Good customer service provides an experience that meets customer expectations. It produces satisfied customers. Bad customer service can generate complaints. It can result in lost sales, because consumers might take their business to a competitor. Therefore when services are good, customers are satisfied but when the reverse is the case there is problem.

2. What factors are important in building banking relationships with customers and why?

A. Trust, B. Commitment, C. Good services.

3. Can you describe the current levels of the factors mentioned in the previous question in your bank?

High

4. Can you provide some information about your relationship marketing activities?

A. we provide support to our customers. B. Gift presentations during customer's events. C. Providing business advisory services free of charge.

5. How has 'Trust' between the customer and the bank affected the relationship that the bank have with its customers?

Trust is a very important factor in banking industry. It is firm reliance on the integrity, ability, or character of a person or thing. No one can do business with you if he doesn't have confidence in your ability. Because of past experiences in Nigerian banking sector over liquidations and bank collapse, people now live in fear. Therefore if the customers have a greater level of trust that the bank is strong to the extent of having the feeling that his money is safe, they will be obliged to establish a more meaningful relationship with the bank.

6. How do you resolve conflicts with your customers? Please give an example if possible?

We resolve conflict by looking into the causes and make sure it doesn't occur again.

- 7. Are there routines for handling customer complaints? In such cases do you believe that it has led to increased customer satisfaction or retention? Yes, there is a department set aside to look into customer issues. Proper handling of customer's problems or complaints leads to their satisfaction of course.
- 8. Do you prefer to work with a few selected "value-creating" customers or try to encourage as many new customers as possible? Why?

We purely concentrate on the value creating customers because of the nature of our bank. Banks are rated at the end of financial year on profit basis, therefore concentrating on value creating customers will help us to grow our deposit.

### 9. What efforts do you make in order to satisfy your customers through customer service?

Prompt resolution of issues, delivering on commitments like account opening timeframe, cheque book delivery, cards, mobile and internet banking sign on etc. you basically do things to keep your customer and only think of you as a bank.

## 10. What are the challenges experienced in the application of relationship marketing?

A. Severe competitive environment of Nigerian banking industry.
B. Regulations from CBN which makes us not to be able to satisfy customer's wants. C. Service failure as a result of poor technological infrastructure. D. Problem of branch network.

# 11. Out of the challenges mentioned above which one do you think is more serious and why?

Service failure. Customers easily feel bad when there are lapses in service delivery. When customers are dissatisfied the outcome can be disastrous to a company.

### 12. How do you communicate with your customers?

Phone calls, text messaging and mails.

## 13. How important is communication in maintaining a long-term relationship with your customers?

Communication helps you relate the position of your bank to the customer, and helps the bank to know more about their customers especially in the area of knowing the best way to attend to them.

# 14. Do you change your working procedures in order to adapt to your customer's needs? Please explain why?

Yes, sometimes in order to make the customer happy.

15. Do you provide customers with additional personalized services, If yes how? If no: why?

Yes, because we want to retain them. We do both cash pick-ups and cash delivery to and fro customers. This is beyond our regular service but we have to do it in order to make the customer happy.

16. How do you use relationship marketing to identify and prevent your defecting customers from switching to competitors?

Most times outside the banking area and when you visit on a personal note or for occasions, you build trust and confidence that they begin to let you into few secrets one of which may be a competitor who is trying to have them. This will make you study your competitor and re-strategize while you make frantic effort to surpass what they may offer him/her.

- 17. How does your bank go about finding the needs of your customers?

  By staying close to our customers and through communication.
- 18. Do you regularly monitor and analyze customers' behavior and characteristics (that is customers' details, historical records, demographics, preferences, lifestyle and personal habits?

  Sometimes
- 19. How involved are the customers in the creation of bank products and services?

They are very much involved because for us they No. 1.

20. Does the bank place more weight on keeping existing customers or on attracting new ones?

Both

21. How can relationship marketing be used to retain customers?

By building Integrity, maintaining trust, and effective customer services.

### **INTERVIEW TAPE MANUSCRIPT FOR CUSTOMER 1**

- 1. What would you say is the reason for having maintained your account in y our bank?
  - (A) My bank is trustworthy (B) I enjoy their loan (C) Better financial and loan (C) They serve as my financial advisor.

### 2. Are relationships important in business? Why?

Yes, no business can succeed without creating and managing effective relations hip with customers, employees, suppliers and stakeholders. Treating your busin ess partners, customers and other community members with honesty, trust, fair ness and respect contributes to the strength and longevity in your business relationships.

#### 3. What factors are important in a relationship with your bank? Why?

Trust, Communication, flexibility and spending time with customers can help b uild a good relationship.

### 4. What do you think needs to be done in order to improve these factors in your bank?

(1) Spending time together with customers and make relationship a priority.

Regular deposits in your bank account will help to increase the level of your relationship with your bank. Banks should therefore make every efforts towards increasing the level of factors mentioned above.

## 5. What do you expect your bank to do in order to maintain a relationship w ith you?

I expect my bank to respect me, good relationships generally involve two peop le who respect each other. I expect them to be committed and have good com munication so as to be abreast with any changes in services that can occur.

#### 6. What do you think will make you to switch over to another bank?

- (a) Bad customer experience (b) Inconvenient ATMs (c) Inconvenient branch lo cations. (d) High charges on my account.
- 7. Do your bank provide you with additional personalized services? (Yes) Give example.

No.

8. How important do you think customer service is, in increasing your satisfact ion in your bank?

Customer service I think is the most important thing every bank should focus on because customers we the essence of their existence in business. Without custom ers, all the banks must have closed and packed up. Therefore for customer's satis faction to be increased, banks need to emphasize on delivering excellent services.

#### 9. How much contact do you have with your bank?

Not very often. Unless I go to the bank for transactions.

### 10. Have you ever had any problem with your bank? And how was it resolved

No

#### INTERVIEW TAPE MANUSCRIOPT FOR CUSTOMER 2

1. What would you say is the reason for having maintained your account in your bank?

The reason is that I feel secured and confident in the bank. And their services are good for me.

### 2. Are relationships important in business? Why?

Yes. Relationships are important because strong relationships makes one to be committed to the service provider.

### 3. What factors are important in a relationship with your bank? Why?

For me trust, commitment, honesty, excellent customer service and customer satisfaction are important because with all these in place it will be difficult for me to leave my bank.

4. What do you think needs to be done in order to improve these factors in your bank?

The bank needs to be serious in all aspects of their services and in all the points mentioned above if they really want to maintain good relationship with their customers.

5. What do you expect your bank to do in order to maintain a relationship with you?

I expect my banks services to be satisfactory. I expect them to be honest in the area of delivering on their promises.

### 6. What do you think will make you to switch over to another bank?

I will switch over to another bank if my bank fails in their service delivery and if I lose confidence in their strength in terms of making sure that my money is safe.

## 7. Do your bank provide you with additional personalized services? Give examples.

Yes, sometimes because I know most of the staff give me preferential treatment. But that is sometimes.

## 8. How important do you think customer service is, in increasing your satisfaction in your bank?

Customer service is a very important factor in customer satisfaction because effective customer service leads to customer satisfaction. If customers' needs are not met let alone exceeded their satisfaction rate reduces.

### 9. How much contact do you have with your bank?

No contact at all. It is only when I go to the bank that I have contact with them.

10. Have you ever had any problem with your bank? And how was it resolved?

No.

#### **INTERVIEW TAPE MANUSCRIPT FOR CUSTOMER 3**

# 1. What would you say is the reason for having maintained your account in your bank?

The reason why I still maintain my account with my bank is because my bank has a reputation for delivering good services.

### 2. Are relationships important in business? Why?

Relationships are important in bridging trust and in facilitating communication which is really important for a business to succeed.

#### 3. What factors are important in a relationship with your bank? Why?

The bank's ability to keep their customers through good customer service and their capability in resolving their issues effectively.

### 4. What do you think needs to be done in order to improve these factors in your bank?

Treating customers nicely and not ignoring them in some cases as had been seen in some banks and ensuring effective and timely resolution of customer's issues.

# 5. What do you expect your bank to do in order to maintain a relationship with you?

Since I already have good relationship with my bank, i would be happy if they have friendlier customer service representatives which is lacking in some circumstances.

### 6. What do you think will make you to switch over to another bank?

The urge to have a feel of services offered in other banks. Then if my bank slacks in their services it is enough reason to make me think of switching over to another bank.

# 7. Do your bank provide you with additional personalized services? Give examples.

Yes, like the e-banking privileges, personal loans and messages on birthdays.

# 8. How important do you think customer service is, in increasing your satisfaction in your bank?

I think it is very important because I feel satisfied only when I have been given the right services I need and treated properly. As human beings we go to places where our needs are considered and met and a place where we communicate freely. Therefore bad customer service leads to low or no satisfaction at all.

#### 9. How much contact do you have with your bank?

They call me from time to time to make inquiries and I go to the bank whenever I have the need. So on a scale of 1-10 I will rate them 6.

## 10. Have you ever had any problem with your bank? And how was it resolved?

Yes, sometime ago I went to another bank's ATM to make a withdrawal, the money was debited but was not paid, so I complained to my bank and they promised to reverse within 24 hours which was done as they promised.

#### INTERTVIEW TAPE MANUSCRIPT FOR CUSTOMER 4

1. What would you say is the reason for having maintained your account in your bank?

The reason for maintaining my account with my bank is that my bank is strong and has good services.

2. Are relationships important in business? Why?

Relationships are very important in business because you cannot have a business without first of all establishing a relationship.

3. What factors are important in a relationship with your bank? Why?

In my own view I think commitment to service, honesty, and effective communication.

4. What do you think needs to be done in order to improve these factors in your bank?

They need to improve in these areas.

5. What do you expect your bank to do in order to maintain a relationship with you?

I expect them to be honest and transparent.

6. What do you think will make you to switch over to another bank?

If i notice some anomalies in my account and if I feel my bank is shaky in terms of liquidity and if services are so poor i will switch over to another bank.

7. Do your bank provide you with additional personalized services? Give examples.

No

8. How important do you think customer service is, in increasing your satisfaction in your bank?

Customer service is very crucial because it is the basis of any business. If customers are well treated they will be willing to continue with the bank but if they are not well treated they will go.

#### 9. How much contact do you have with your bank?

Very little

### 10. Have you ever had any problem with your bank? And how was it resolved?

No

#### INTERVIEW TAPE MANUSCRIPT FOR CUSTOMER 5

1. What would you say is the reason for having maintained your account in your bank?

The reason is that my bank has a reputation and they are strong.

### 2. Are relationships important in business? Why?

Good relationships are very important in business in order to foster customer loyalty and retention.

### 3. What factors are important in a relationship with your bank? Why?

Effective communication, empathy, good services and accountability are important factors.

4. What do you think needs to be done in order to improve these factors in your bank?

To improve these factors the staff needs to be trained more on effective and quality customer service.

5. What do you expect your bank to do in order to maintain a relationship with you?

It is important for them to have good customer service.

### 6. What do you think will make you to switch over to another bank?

Better offers from the competitors, better service like good turnaround time, not waiting for too long on the queue. If the staff members are fraudulent like we see these days.

7. Do your bank provide you with additional personalized services? Give examples.

No, they only give that privileged to their key customers I guess.

## 8. How important do you think customer service is, in increasing your satisfaction in your bank?

Customer service is very vital because it is a key factor in increasing customer satisfaction if the experience of the customer is good. One important truth is that when customers are treated well they do word of mouth marketing for you but when they are dissatisfied, they will rubbish the image of your bank. Therefore good customer service is very important.

### 9. How much contact do you have with your bank?

Just very little contact which occurs only when I go there.

### 10. Have you ever had any problem with your bank? And how was it resolved?

Yes but it was resolved amicably.

#### INTERVIEW TAPE MANUSCRIPT FOR CUSTOMER 6

1. What would you say is the reason for having maintained your account in your bank?

The reason why I still maintain my account with my bank is because I believe that my money is safe with them.

#### 2. Are relationships important in business? Why?

Good relationships are very important because that is the foundation of every business.

#### 3. What factors are important in a relationship with your bank? Why?

There is need for trust, commitment to service, effective communication, empathy, willingness to render help at all cost. These factors are important because of the fact that no meaningful relationship will exist without having them in place.

4. What do you think needs to be done in order to improve these factors in your bank?

They need to step up and improve in these areas and train their staff accordingly.

## 5. What do you expect your bank to do in order to maintain a relationship with you?

I expect them to be honest in dealing with me, keeping to their promises because sometimes they make a lot of promises which they never kept, situations like this can adversely affect relationships.

### 6. What do you think will make you to switch over to another bank?

I will switch over to another bank if the services of my bank go sour, if I lose trust in their accountability and strength.

7. Do your bank provide you with additional personalized services? Give examples.

No

## 8. How important do you think customer service is, in increasing your satisfaction in your bank?

For there to be customer satisfaction the services must have been so wonderful. Therefore customer service is very core in order too. Without excellent customer service there cannot be customer satisfaction and when there is no customer satisfaction there is no business.

### 9. How much contact do you have with your bank?

Sometimes.

### 10. Have you ever had any problem with your bank? And how was it resolved?

Yes, but it was later resolved amicably.

#### INTERVIEW TAPE MANUSCRIPT FOR CUSTOMER 7

1. What would you say is the reason for having maintained your account in your bank?

I feel my account is safe with them and that I have good relationship with them.

#### 2. Are relationships important in business? Why?

Yes relationships are good because without it there would not be better communications and business will be greatly affected.

### 3. What factors are important in a relationship with your bank? Why?

Conducive environment and interpersonal relationships as that would help for easy communication.

### 4. What do you think needs to be done in order to improve these factors in your bank?

The bank would critically look into it and create a way to possibly address it by responding to customers.

# 5. What do you expect your bank to do in order to maintain a relationship with you?

They should always wish me well through text messages and other means e.g. birthdays, Christmas etc.

### 6. What do you think will make you to switch over to another bank?

When they start to delay in their services and when they do not receive me well.

## 7. Do your bank provide you with additional personalized services? Give examples.

Yes they normally send me personal message of prayer on any important occasion like during my birthdays, thanksgivings, more so they serve me well ensuring my happiness whenever I have business with them.

### 8. How important do you think customer service is, in increasing your satisfaction in your bank?

Customer service is very vital in increasing the level of satisfaction in customers because good customer service or services makes customers to be happy and satisfied as well. Therefore I believe it is very important.

#### 9. How much contact do you have with your bank?

I usually visit them often as the need arises.

### 10. Have you ever had any problem with your bank? And how was it resolved?

No I have never had any problem with the bank.

#### INTERVIEW TAPE MANUSCRIPT FOR CUSTOMER 8

### 1. What would you say is the reason for having maintained your account in your bank?

The major reason is financial security.

### 2. Are relationships important in business? Why?

Yes, they are a very important aspect of maintaining and growing a business. This is because the relationship maintained with the customers determines how productive and effective and existing or newly formed business could be. Thus, maintaining a good relationship with your customers means growth and is a multiplier effect for every business. Also if a poor relationship is maintained, then businesses are bound to fail.

## 3. What factors are important in a relationship with your bank? Why? Customer service and trust are very important.

# 4. What do you think needs to be done in order to improve these factors in your bank?

For improvement to be seen, banks should employ specialized individuals to maintain the customer service department and provide them with the necessary working tools to enable them carry out an effective customer services and boost their productivity.

## 5. What do you expect your bank to do in order to maintain a relationship with you?

For me and my bank to maintain an effective and continuous relationship, I expect them to be able to secure my finances whether online or offline, over the counter or otherwise and to be able to protect my information to avoid fraudulent hacking into ones account and financial loss.

#### 6. What do you think will make you to switch over to another bank?

If I feel that my funds are no longer safe in the current bank and if I notice any discrepancies relating to my account.

7. Do your bank provide you with additional personalized services? Give examples.

No

8. How important do you think customer service is, in increasing your satisfaction in your bank?

Very important because it is the unit of the bank that you can communicate directly to and get instant solution to your banking related issues. If they are ineffective, then we will all be at risk in banking.

9. How much contact do you have with your bank?

Not so often

10. Have you ever had any problem with your bank? And how was it resolved?

No.

### **INTERVIEW TAPE MANUSCRIPT FOR CUSTOMER 9**

1. What would you say is the reason for having maintained your account in vour bank?

My reason is that they are effective and efficient in carrying out there services or duties and also gives me the needed attention when it matters most.

2. Are relationships important in business? Why?

Yes relationships are important in business. No business can survive without cordial relationship. If you cannot get people around you to support you and your strategy, you won't succeed. Relationship are the foundation of everything you are trying to achieve in business.

3. What factors are important in a relationship with your bank? Why?

Trust and Good services are important in a relationship with my bank. I believe that having a relationship of trust with your bank is more important than getting the best value for money. If i could trust my bank i will feel relax to transact with them. Also Good services of the bank is also important in a relationship with my bank.

### 4. What do you think needs to be done in order to improve these factors in your bank?

Building cordial relationship base on trust with the customer and employing the right manpower to carrying their services effectively and efficiently at the right time.

## 5. What do you expect your bank to do in order to maintain a relationship with you?

I expect them to be transparent in there dealing with their customers.

### 6. What do you think will make you to switch over to another bank?

I will switch to another bank if they are ineffective and inefficient in their duties, mishandling of fund and slow in services can make me switch to another bank.

## 7. Do your bank provide you with additional personalized services? Give examples.

Yes, they give me financial advice and banking services through both virtual and physical channels on how to increase my savings.

# 8. How important do you think customer service is, in increasing your satisfaction in your bank?

It is very important for my satisfaction, because good customer service of the bank will make me loyal and continue using a wide range of services offered by them and make me committed to the bank.

### 9. How much contact do you have with your bank?

I have regular contact with my bank on weekly basis as the case may be.

### 10. Have you ever had any problem with your bank? And how was it resolved?

Yes once, when i went to use the ATM to make some withdrawals, but the machine did not pay and they sent a message to me that i withdrew money and they later sent a message back, apologizing for their error and sent back my right account balance.

#### INTERVIEW TAPE MANUSCRIPT FOR CUSTOMER 10

## 1. What would you say is the reason for having maintained your account in your bank?

Firstly, because my bank has a well-defined and clear operation system. Secondly, because it has a good reputation in the country.

### 2. Are relationships important in business? Why?

Relationships are very important, if not vital in every good business because business is done by two or more partners. For this, coming together for a single goal and interest, it needs cooperation between or among the individuals. With good relationship, effective communication is also ensured which helps in the growth of business transactions.

### 3. What factors are important in a relationship with your bank? Why?

From my own point of view, amongst all other factors, Good services, respect and Competence. My bank has to be there when I want a service from them. Good service plays a big role, because I have the right to be served well. Respect because my bank should have a regard for me.

## 4. What do you think needs to be done in order to improve these factors in your bank?

By upgrading, by that I mean that good training courses, conferences, and advanced workshops should be made available for the bankers. In this way, the bankers will improve their skills and talents in dealing with customers.

# 5. What do you expect your bank to do in order to maintain a relationship with you?

My bank has to respect these factors enumerated above, that is all.

#### 6. What do you think will make you to switch over to another bank?

I can easily switch to another bank when in any case, one of these factors enumerated above is neglected.

## 7. Do your bank provide you with additional personalized services? Give examples.

I have never benefitted from my bank's additional personalized services, maybe in future.

### 8. How important do you think customer service is, in increasing your satisfaction in your bank?

Customer service is very important because it is a defined way or strategy to retain and maintain customers. It is also a means of service and communication to the customers which when it is good customers feel satisfied and will be willing to continue with them.

### 9. How much contact do you have with your bank?

Not frequently.

10. Have you ever had any problem with your bank? And how was it resolved?

No.

### **INTERVIEW TAPE MANUSCRIPT FOR CUSTOMER 11**

1. What would you say is the reason for having maintained your account in your bank?

I still maintain my account till today because my bank is strong and reliable.

### 2. Are relationships important in business? Why?

Relationships are important especially in this competitive era. Banking industry in Nigeria is more competitive than any other sectors and therefore good relationships are very important in surviving in such a very stiff competitive world.

### 3. What factors are important in a relationship with your bank? Why?

Trust is my number one because without it I don't think I will have any relationship with my bank. Honesty, commitment and selfless service, good service, satisfaction etc.

4. What do you think needs to be done in order to improve these factors in your bank?

I will simply recommend training for most of their employee on the best way to treat customers.

5. What do you expect your bank to do in order to maintain a relationship with you?

I expect them to be honest, trustworthy, keep to their promises, not being cunny like some of them make promises in order to lure you into opening account with them as soon as that is achieved they abandon you. They need to have good offers too.

6. What do you think will make you to switch over to another bank?

If they have poor services, if I discover discrepancies on my account, if I'm no longer satisfied with their entire operation.

7. Do your bank provide you with additional personalized services? Give examples.

No

8. How important do you think customer service is, in increasing your satisfaction in your bank?

Every organization aspires to have excellent and impeccable customer service because it is very important in engendering customer satisfaction. When customers have beautiful experience as a result of their interaction with the bank, their level of satisfaction increases, therefore it is very important.

9. How much contact do you have with your bank?

Only when I want to send money

10. Have you ever had any problem with your bank? And how was it resolved?

No

#### **INTERVIEW TAPE MANUSCRIPT FOR CUSTOMER 12**

1. What would you say is the reason for having maintained your account in your bank?

Quality service, good communication, satisfaction and good relationship.

2. Are relationships important in business? Why?

Yes, because good relationship enhances business.

#### 3. What factors are important in a relationship with your bank? Why?

Customer service quality and satisfaction, if the two elements were implement very well, I would be able to have long term relationship with my bank, and also I will have confidence in them.

4. What do you think needs to be done in order to improve these factors in your bank?

Improvement in the area of customer service so that customers will have good experience with the bank.

5. What do you expect your bank to do in order to maintain a relationship with you?

Implementation of customer service quality and satisfactions.

6. What do you think will make you to switch over to another bank?

Poor services and dissatisfaction.

7. Do your bank provide you with additional personalized services? Give examples.

No

8. How important do you think customer service is, in increasing your satisfaction in your bank?

Very important because customer satisfaction is required for there to be customer retention. Therefore good customer service gives rise to the desired satisfaction in customers.

9. How much contact do you have with your bank?

Very good contact.

10. Have you ever had any problem with your bank? And how was it resolved?

Yes, my ATM card was retracted by the ATM machine and I got it back two days later.

#### **INTERVIEW TAPE MANUSCRIPT FOR CUSTOMER 13**

### 1. What would you say is the reason for having maintained your account in your bank?

The reason for maintaining my account with my chosen bank is because of their financial strength and unique services they offer me at any given time I come to the bank to perform one transaction or the other and also back office assistance.

### 2. Are relationships important in business? Why?

Yes! Relationships are the vital tools a bank uses to retain its customers.

### 3. What factors are important in a relationship with your bank? Why?

Honesty, Trust, good services, meeting up with the time given to attend to customers.

## 4. What do you think needs to be done in order to improve these factors in your bank?

Giving the staff periodic integrity training, migrating to the newest system software technology to increase efficiency in service delivery.

# 5. What do you expect your bank to do in order to maintain a relationship with you?

Do a kind of follow ups on customers, welcome for feed backs, and make banking very easy for customers.

#### 6. What do you think will make you to switch over to another bank?

Bad customer service, difficult banking; poor and slow banking system.

# 7. Do your bank provide you with additional personalized services? Give examples.

Yes, it does. I do not have to queue to withdraw or deposit.

## 8. How important do you think customer service is, in increasing your satisfaction in your bank?

Customer service is the front office of every bank, therefore it determines how the customer feels while in the bank or after banking. Therefore, when I'm satisfied through the bank's services, it will help me to maintain my patronage and increase my loyalty.

### 9. How much contact do you have with your bank?

On monthly basis.

## 10. Have you ever had any problem with your bank? And how was it resolved?

Yes! My ATM card was retained in the machine, the machine did not dispense cash to me also; yet my account was debited. I reported to my bank after two days, my account was regularized within seven minutes.

#### INTERVIEW TAPE MANUSCRIPT FOR CUSTOMER 14

## 1. What would you say is the reason for having maintained your account in your bank?

They have good services and I have never had any issues with them.

### 2. Are relationships important in business? Why?

Relationships are very important in business as it brings customers closer to their bank.

### 3. What factors are important in a relationship with your bank? Why?

It is important to have trust because if I don't trust them I will never do business with them, if they are not honest, if they are not committed in delivering good service, I will not have good relationship with them.

### 4. What do you think needs to be done in order to improve these factors in your bank?

May be they need to train their staff more on service quality.

# 5. What do you expect your bank to do in order to maintain a relationship with you?

I expect them to be honest in dealing with me, keeping to their promises because sometimes they make a lot of promises which they never kept, situations like this can adversely affect relationships.

#### 6. What do you think will make you to switch over to another bank?

If I see that my present bank is collapsing, or that they are no longer strong enough to earn my trust in terms of liquidity and if their services turn bad.

7. Do your bank provide you with additional personalized services? Give examples.

No

8. How important do you think customer service is, in increasing your satisfaction in your bank?

Excellent customer service begets customer satisfaction. Without excellent customer service there cannot be customer satisfaction and when there is no customer satisfaction there is no business relationship.

9. How much contact do you have with your bank?

Not very often.

10. Have you ever had any problem with your bank? And how was it resolved?

No

#### **INTERVIEW TAPE MANUSCRIPT FOR CUSTOMER 15**

1. What would you say is the reason for having maintained your account in your bank?

The good customer service relationship, willing to assist during deposits and withdrawals has been their outstanding reason of my maintaining account with them.

2. Are relationships important in business? Why?

Yes. Relationship is communication. If there is no communication, there is no healthy relationship and this affects business as well.

3. What factors are important in a relationship with your bank? Why?

For me, accessing my account with ease. It is far important as a business man because there has been many occasion when you walk to Nigeria bank to cash money, you end up spending hours.

## 4. What do you think needs to be done in order to improve these factors in your bank?

Being able to map out solid reserve for emergencies where there may be more withdrawer than deposit.

### 5. What do you expect your bank to do in order to maintain a relationship with you?

We are already far consumed with technology. My bank should upgrade their system to suit international standard to be able to serve me and other customers well.

### 6. What do you think will make you to switch over to another bank?

Slow delivery for sure and inadequate banking technology.

# 7. Do your bank provide you with additional personalized services? Give examples.

Yes, one time I withdrew money from another bank, but my bank called me before issuing that money to know if I'm actually the person and many more. I was so happy that day knowing fully well that my money is save in that bank.

# 8. How important do you think customer service is, in increasing your satisfaction in your bank?

It is far important because without customers, there is no customer service, no business and no demand.

#### 9. How much contact do you have with your bank?

I am known personally by the manager and my account officer. I think that is enough for safety reason.

### 10. Have you ever had any problem with your bank? And how was it resolved?

I once did a transfer and the money was deducted from my account but never got to the second party on time. They were concerned about it and made efforts trying fix their network, calming me down with smiles. I was pleased as they shared in my worries.

#### INTERVIEW TAPE MANUSCRIPT FOR CUSTOMER 16

## 1. What would you say is the reason for having maintained your account in your bank?

I have maintained my account in my bank for these reasons: I do not particularly like keeping so many accounts with different banks. Also, my bank is a reputable one that had very attractive offers prior to my opening an account with them. My account and bank was originally set up by my former employer/organization as an easier way to pay salaries.

### 2. Are relationships important in business? Why?

Healthy business relationships are important to promote loyalty and trust, as well as longevity of partnership

### 3. What factors are important in a relationship with your bank? Why?

Good communication skills, good incentives and accountability.

## 4. What do you think needs to be done in order to improve these factors in your bank?

Evaluation as well as training programs to improve skills among the bank staff and good customer care service.

# 5. What do you expect your bank to do in order to maintain a relationship with you?

Good service should extend outside the bank and banking hours. Customers tend to feel warmly thought of when treated as first class, no matter the type of account he or she has. Banks can play key roles for their customers at all levels especially with little details such as remembering birthdays, anniversaries, supporting a good cause, and so on.

#### 6. What do you think will make you to switch over to another bank?

Better incentives, better customer relationship and better services in other banks for example: Proper time management, better banking system, and so on. 7. Do your bank provide you with additional personalized services? Give examples.

No

8. How important do you think customer service is, in increasing your satisfaction in your bank?

Customer service is very key in increasing customer satisfaction. If a customer is dissatisfied, he goes away and will disseminate the information to many others. Therefore there is need for banks to make sure that customers are well attended to effectively and on time.

9. How much contact do you have with your bank?

Not very often, but once in a while.

10. Have you ever had any problem with your bank? And how was it resolved?

No.

### **INTERVIEW TAPE MANUSCRIPT FOR CUSTOMER 17**

1. What would you say is the reason for having maintained your account in your bank?

They render quality services.

2. Are relationships important in business? Why?

Yes, because relationship brings two or more people together to form a formidable team.

3. What factors are important in a relationship with your bank? Why?

Communication and diligence because if you are not informed, you are deformed; therefore we need to know what is going on in the bank and with our account in terms of sending text messages as at when due.

4. What do you think needs to be done in order to improve these factors in your bank?

Provision of viable networks and employing qualified staff.

## 5. What do you expect your bank to do in order to maintain a relationship with you?

Being sincere, prudent and provision of enough functional ATMs at strategic places.

### 6. What do you think will make you to switch over to another bank?

I will switch over to another bank if there is unstable network in my present bank, if they have dangling services, if there are rumors of collapsing or liquidation.

7. Do your bank provide you with additional personalized services? Give examples.

No.

# 8. How important do you think customer service is, in increasing your satisfaction in your bank?

Customer service is indispensable to customer satisfaction. Therefore, it is an area which banks cannot neglect because it creates an avenue for the customers to air their views in the operation of the bank towards service delivery. Good experience of customer service always leaves the customers satisfied.

9. How much contact do you have with your bank?

Mild relationship

10. Have you ever had any problem with your bank? And how was it resolved?

No

#### INTERVIEW TAPE MANUSCRIPT FOR CUSTOMER 18

1. What would you say is the reason for having maintained your account in your bank?

I maintain my account with them because i love the way they operate, their services and their relationship with customers. They are open-minded and

quick to be at customer's service. They try their best to ensure their customers are given the best services.

#### 2. Are relationships important in business? Why?

Yes, because with good relationships trust and confidence will be built over time.

### 3. What factors are important in a relationship with your bank? Why?

A good customer-bank staff relationship at least. This is because if this relationship between staff and customers are friendly, cordial and organized, then customers will feel safe, at home and will also have faith and trust in their banks.

## 4. What do you think needs to be done in order to improve these factors in your bank?

There is need for the employers, managers, executive members and staff of the bank to endeavor to render good services to customers, attend to their needs and always try to give them listening ears, that way they will be able to know their customers' plight, complaints and conditions. Through this process, they will be able to know where they have gone wrong and adjust or make amends.

# 5. What do you expect your bank to do in order to maintain a relationship with you?

They should try to always maintain and keep good, friendly and cordial relationship with their customers because rash, harsh, impolite and aggressive behaviors would not do them any good.

### 6. What do you think will make you to switch over to another bank?

If i become unsatisfied with their services, or if for any reason i receive embarrassing, harsh or impolite statements from any staff of the bank, i would not think twice about retrieving my money and opening a new bank account with a bank i feel safer with.

## 7. Do your bank provide you with additional personalized services? Give examples.

No

## 8. How important do you think customer service is, in increasing your satisfaction in your bank?

Customer services are always very important in any bank because this is the only way the bank can actually reach, talk, communication and know their customers' conditions, plight and complaints. It is another way of reaching to customers and understanding how they actually feel about the services rendered therefore it is necessary to have a perfect customer service in order to satisfy customers.

9. How much contact do you have with your bank?

Not frequently.

10. Have you ever had any problem with your bank? And how was it resolved?

No.

#### **INTERVIEW TAPE MANUSCRIPT FOR CUSTOMER 19**

1. What would you say is the reason for having maintained your account in your bank?

The reason why I still maintain my account with my bank is because I believe that they are strong enough to keep my money safe.

2. Are relationships important in business? Why?

Good relationships are very necessary because no business will thrive well without good relationship with customers.

3. What factors are important in a relationship with your bank? Why?

For me trust, commitment to service, effective communication, empathy, willingness to render help at all cost. The reason is that these factors will help in the sustenance of business in a long term manner.

4. What do you think needs to be done in order to improve these factors in your bank?

They need to improve in these areas and train their staff as well.

5. What do you expect your bank to do in order to maintain a relationship with you?

I expect them to be sincere and honest in dealing with me, and do what they say they will do and not the other way round.

6. What do you think will make you to switch over to another bank?

I will switch over to another bank if the services of my bank suddenly turns bad and if I lose trust in their financial strength.

7. Do your bank provide you with additional personalized services? Give examples.

No

8. How important do you think customer service is, in increasing your satisfaction in your bank?

In order to have customer satisfaction the services of the bank must be so wonderful. Without excellent customer service there cannot be customer satisfaction and when there is no customer satisfaction the environment would not be favorable for business transactions.

9. How much contact do you have with your bank?

Not so much.

10. Have you ever had any problem with your bank? And how was it resolved?

Yes, but it was later resolved amicably.

#### **INTERVIEW TAPE MANUSCRIPT FOR CUSTOMER 20**

1. What would you say is the reason for having maintained your account in your bank?

The reason is that I have not had any issues with them. Their services have been good.

2. Are relationships important in business? Why?

Relationships are the bases on which businesses are established. One cannot establish a business with a stranger, there is need to establish a relationship so that both sides can have element of trust.

3. What factors are important in a relationship with your bank? Why?

Trust, honesty, commitment and attending to customers on time.

4. What do you think needs to be done in order to improve these factors in your bank?

Organizing training for the staff especially in the area of quality customer service which has to do with all the factors above. And upgrading their internet system in order to attend to customers as fast as possible.

5. What do you expect your bank to do in order to maintain a relationship with you?

I expect them to treat me properly and if they have good customer service, I will maintain my banking relationship with them.

6. What do you think will make you to switch over to another bank?

If the services are no longer good and if do not enjoy their products.

7. Do your bank provide you with additional personalized services? Give examples.

No

8. How important do you think customer service is, in increasing your satisfaction in your bank?

Customer service is a very important factor that banks should consider seriously now that they have severe competitions in the industry. If they deliver excellent services, customers will definitely be happy and derive great level of satisfaction which can make them remain in business for a long time.

9. How much contact do you have with your bank?

Not very often.

10. Have you ever had any problem with your bank? And how was it resolved?

No.

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