

# Comparative Analysis of Internal Service Marketing Strategy and Customers' Satisfaction in Nigerian Banking Industry between 2005–2009 and 2010–2013

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## Abstract

The internal crises in Nigerian banking industry between 2005 and 2009 which manifested failures of some banks and subsequent reforms that have recorded some improvements between 2010 and 2013 warranted this study. The purpose of the study is to examine the impact of internal service marketing strategy on customers' satisfaction in Nigerian banking industry between 2005 and 2009 and what was responsible for the subsequent improvements made in 2010 to 2013. The customers' satisfaction variables measured are service/product quality, market share, return on owners' investment and customers' loyalty. Sample size was determined using Taro Yeman's formula. Pilot survey and Cronbach's Alpha were used to confirm the validity and reliability of the study respectively and their variables of measures. Spearman's rank correlation coefficient(r), simple regression and partial correlation analyses were the statistical tools used. Consequently the following major findings among others were obtained: (1) Internal marketing strategy had positive and weak relationship with product/service quality, market share, return on owner's investment and customer loyalty in the years 2005–2009. (2) There was positive and significant relationship between internal service marketing strategy and customers' satisfaction with technology moderating them in 2010–2013. We conclude that internal service marketing strategy was weak hence had weak impact on customers' satisfaction in Nigerian banking industry between 2005 and 2009. We recommend market orientation to banks in order to increase customers' satisfaction.

**Keywords:** bank, improvement, service, marketing, delivery, strategy, satisfy, customer

## 1. Introduction

### 1.1 Background of Problem

This study examined the internal marketing practices in Nigerian banking industry from 2005 to 2009 (which then centred on product, pricing, promotion and place strategies) and its limitations in improving service delivery alone. Banks' burning desire to improve corporate financial goals using internal strategies without incorporating marketing objectives strategies to create customers' satisfaction failed. This among others led to the 2005 to 2009 crises of size, financial inadequacies, fraud and corruption resulting in low liquidity and loss of many customers' deposits. Many banks like Savannah bank, Pan African bank, National bank failed while All-state Trust bank eventually witnessed major distress and was acquired. Standard Trust bank merged with United Bank for Africa and Intercontinental bank to form the new United Bank for Africa and Habib Bank merged with Platinum Bank to form Bank PHB (Keystone bank). This trend had not stopped till today.

### 1.2 Statement of the Problem

Banks were in real problem of how to cope with exposed fraud and mismanagement of resources. Hard selling, transactional marketing and poor relationship marketing methods were practised which are inconsistent with standard international banking practices. These studies therefore established the relationships between internal marketing strategy and product/service quality, market share, return on owners' investment and customers' loyalty from 2005 to 2009 and compared it with the situation in 2010–2013 banking industry using the following hypothesis: There is a significant relationship between internal service marketing strategy and service/product quality, market share, return on owners' investment and customers' loyalty. Quasi experimental design used in descriptive research was employed. The primary data were obtained using questionnaires. The

data were fitted into regression, partial regression and Spearman's rank correlation equations to establish the relationships between the variables in the hypotheses, thus the study redirected the banking industry to implement market orientation and sustain technology application.

## 2. Literature Review

It was evident in the introduction that all were not well with banking industry between 2005 and 2009. It has been from one crisis to another. The following literatures are supportive evidences. In the 1990s there was capital inadequacies crisis attempted solution was moving capital base from N500M to N2B (Okigbo, 2000). The early 21<sup>st</sup> century crises were size, fraud and corporate governance; strategies employed in trying to solve them were merger and acquisition. The capital base was increased to N25b and 24 banks first emerged and later 22 banks (Imala, 2005; Adam, 2005).

From 2005 to 2009, there were the crises of non performing loans given to influential Nigerians and corrupt practices.

### 2.1 Internal Marketing

Internal marketing is concerned with how all employees and other organizational members could work as a team for the realization of goals and objectives of the company. The employees' support and commitment are geared towards the customer (Lancaster & Reynolds, 2004). For effective market strategy and positioning, internal marketing of a firm must be sound and it begins with market orientation. Market orientation is a form of organizational culture where employees work as a team and are committed to continuously create superior customer value, or a sequence of marketing activities that lead to better performance of a company. The internal market orientation concept focuses on coordinated business intelligence generation, dissemination and responsiveness to market information for efficient and effective decisions (Kohli & Jaworski, 1993). The concept is also concerned with issues including organizational innovation, human resource planning and organizational learning and team building (Narver & Slater, 1990). Market orientation traces its origins from the marketing concept. This is because marketing concept is concerned with customer-orientation, competition-orientation, innovation and profit as an incentive for creating satisfied customers as does market orientation too ((Hunt & Morgan, 1996). Market oriented or re-oriented companies perform better than companies that are less market oriented. They focus on adapting their products and services to the needs and expectations of their customers unlike those who are product oriented and focus on developing a product or service that is then marketed and hopefully sold (Grönroos, 1991).

To achieve customer focus, a firm with a high degree of market orientation cultivates a set of shared values and beliefs about putting the customer first and reaps results in form of a defendable competitive advantage, decreased costs and increased profits (Olayinka, 2008; Desphandé, 1999). Internal marketing strategy begins with market orientation. When internal market orientation is not coordinated and improved, it has consequences to overall business strategy, innovation and competitive advantage (Alvarez, 2001).

In today's banking industry rapid innovation in response to internet revolution and the explosive growth of computer hardware and software development in the banks are internal phenomenal growth strategies to meet up global business challenges. But because the banks' internal IT innovation has some negative consequences, it has inhibited marketing and product innovation in Nigerian banks in some aspects. Banking organizations are usually highly segregated from one another; the people who know what kind of technical innovations needed are often completely isolated from those in a position to deliver the innovations. Cross-departmental teamwork needs to be improved (Ebenezer, 2010).

Two other forces—risk aversion and weak R and D departments characterize the e-banking and internet development in banking industry today. These strategies have clamped down the urge to innovate through R and D departments if at all they exist. Risk aversion is dangerous in banking industry today. Furthermore e-banking and internet development in banking industry have led to over complication of products offering, which some times can undermine the confidence the customer have in the bank to trust it with their money. Although many bank consumers might not be happy when confusion arises; they are usually quite unhappy as well to leave, but rather put up with miserable service because the switching costs are high" (Olakanpo, 1996). Firms are bundles of resources and their attributes significantly affect their competitive advantage; and by implication performance (Barney, 1991). Therefore this study will revisit these loop holes in banking practices in Nigeria and see how internal service marketing strategy and other banks resources residing on (1) Entrepreneurial orientation (2) Technological capabilities (3) Financial resources could be used interactively to achieve organizational goal of growth and profitability.

## *2.2 Concept of Customer Satisfaction*

The word satisfaction has a range of meanings to individuals, but it generally seems to be a positive assessment of the service. It could mean contentment, happiness, relief, achieving aims, being happy with outcome and the fact that service delivery did not encounter any hassle. Thus being Happy, could mean excitement, quite contented. It could also mean feeling good or walked out grateful that the service has been satisfactory. The concept of customer satisfaction demonstrates that if experience of the service greatly exceeds the expectations clients had of the service, then satisfaction will be high, and vice versa. Customers' satisfaction is related to expectations. In the service quality literature, perceptions of service delivery are measured separately from customer expectations, and the gap between the two provides a measure of service quality.

Also in expectations and Customer Satisfaction, relief could mean thank God for a service delivery. It also means one could go with a service need and get issues sorted out without being disappointed. Expectations have a central role in influencing satisfaction with services, and these in turn are determined by a very wide range of factors. Lower expectations will result in higher satisfaction ratings for any given level of service quality. For example, poor previous experience with the service or other similar services is likely to result in being easier to pleasantly surprise customers. Negative preconceptions of a service provider could lead to lower expectations, but will also make it harder to achieve high satisfaction ratings, while positive preconceptions and high expectations make positive ratings more likely.

To be unsatisfied is when you are still on the same level as you were before.

It is only when a customer is highly satisfied that he could be loyal to the brand hence could be retained (Ejiofor, 1977). These days, customers do not adopt one product or company for life. With easy access and global competitiveness, customers are often swayed by advertising and a chance of a better deal. Quality levels and features between competing brands and organizations are often compared before this is done. The thing that separates competitors is their level of service. It is not unusual for customers to switch back and forth between products or organizations simply because of pricing, a bad first impression from the organization or lack of quality service. Happy and satisfied customers behave in a positive manner. They will buy more from the company and give a large share of their fund. Customer satisfaction is derived largely from the quality and reliability of the products and services, level of derived value, Trust and Commitment (Zeithaml and Bitner, 2009).

### **2.2.1 Perceived Quality of Services or Products**

A concept which is very closely related with satisfaction is perceived quality of services or products, and the differences between these have not always been very clearly defined. In an attempt to clarify the distinction between satisfaction and perceived quality of services, Srinivasan (2007) considered that satisfaction requires previous consumption experience and depends on price, whereas quality can be perceived without previous consumption experience and does not normally depend on price. However in circumstances where there is little available information or where quality evaluation is difficult, price can be an indicator of quality. In this sense, Stephanie (2007); conceptualized a model of service quality and service satisfaction, and concluded that these constructs are distinct and have different determinants. Service quality has been found to have a profound input on customer satisfaction and loyalty as a whole and is defined as the result of the comparison that customers make between their value expectations about the service and their perception of the way the service has been performing (Nnanna, 2004).

### **2.2.2 Level of Derived Value**

Level of derived value is the difference between expectations about the service and the perception of the way the service has been performing. Today, customers are more value oriented in their consumption of services because they have alternative choices. The customers make purchase decisions between competing providers and buy on value; they do not simply buy products. Customers learn to think objectively about value in the form of preferred attributes, attribute performance, and consequences from using a product in a use situation (Slater, 1997). Bitner and Zeithaml, (2009) confirmed this in their submission that customers evaluate products or services in terms of whether that product or service has met their needs and expectations. It is this met need or expectation that forms the customer's value chain. Several disparate marketing activities are responsible for customer's dissatisfaction and poor derived value in banking services in Nigeria between 2005 and 2009. These include poor quality services, service failures, service mistakes and billing errors.

## *2.3 Satisfactory Pricing*

Good pricing however must be taken into account when shaping the overall satisfaction of the customers towards

their service providers. Dissatisfaction usually occurs when the pricing issues are not suitable to the needs of the customers. The response of a customer in this case plays a pivotal role in the overall satisfaction of the service provider. Somoye (2006), Fox and Poje (2002) have explored the relationship between price and customers' satisfaction.

They said that the level of satisfaction is always high when the customer is given minimum price and gets maximum usage. Hard selling—profiteering using deceptive pricing and arbitrary charges dissatisfy the customers. If a customer is satisfied with the price of the product or service, the loyalty is injected automatically and the customer remains with the current providers for a longer period of time revealing trust in business relationship.

#### *2.4 Commitment*

Commitment is frequently defined as a desire to maintain a relationship (Deshpande 1999; Morgan & Hunt, 1994). It is a pledge of continuity, and a resistance to change. In a conceptualization and study of employees' commitment to an organization, ALam et al (2006) identified three types of commitment to an organization: affective, continuance and normative. Affective (or emotional) attachment exists when a strongly committed individual is involved in, and enjoys membership in an organization. Affective commitment is defined as a sentimental state of mind that is based on a person sharing, identifying with and internalizing the values of an organization which implies linking an emotional attachment (Morgan & Hunt, 2004). Commitment in a relationship has been positioned as a central factor for customer loyalty (Chaudhuri & Holbrook, 2002) and is a principal factor causing dedication. Aggressive marketing for profit which also reveals unreliability are relationship that could ensure customer's dissatisfaction.

#### *2.5 Customers' Satisfaction in Nigerian Banking Industry, 2010-2013*

As from 2010, the financial sector has undergone dramatic changes, resulting in a market place which is characterized by intense competition, little growth in primary demand and increased deregulation. It became necessary for banks to evolve ways customers could be satisfied and retained. Customer's retention to a bank can be due to long experience of satisfactory services. The degree of satisfaction can be gauged by tracking customer accounts over defined time periods and noting the degree of continuity in patronage (Lemo, 2005; Sanusi, 2010). In the new market place, the occurrence of committed relationships between a customer and his or her bank is becoming increasingly scarce. Various reasons for this have been adduced in our discussions above. Many approaches have been attempted to satisfy and retain customers. These approaches include innovative products and services. Alam and Khokhar (2006) posited that marketing success requires understanding and frequently monitoring the product and service attributes to ensure sustained satisfaction. Effective product or service innovation is one that focuses on customers' value creation. Whether a bank pursues innovation or not makes no impact if its strategic focus is not on customer but on product/service alone. In Nigeria, many banks pursue product/service orientation more than customers' orientation.

Thus one of the factors which causes the customer dissatisfaction in the banking industry is that they pursue product/service innovations and begin to apply aggressive disparate marketing methods to make customers queue up to a new product idea which may already be of low quality with unsatisfactory pricing.

Customer relationship that delivers value beyond the provided core product add tangible and intangible elements to the core products, which create and enhance the "product surrounding". Banks today are beginning to provide "up-close" personal service for customers who come with high expectations. For customers who value convenience most, banks are now offering the latest product such as electronic banking, touch-tone phone account access and internet banking. Clearly, customer value can be a strong driver of customer satisfaction (Alebiosu et al, 2004). Customer satisfaction is merely a response to the value plan offered in specific products/markets (Irechukwu, 2000). By this view, banks determine how customers define value in order to provide added-value services.

#### *2.6 Customers' Satisfaction in Relation to Today's Banking Industry (Internal Service Marketing Strategies)*

The Nigerian banking industry today is faced with increasing change which is caused on one hand by the recent banking industry reforms instituted by the Central Bank of Nigeria (CBN), and on the other hand by external global/ macro-economic pressures; an outcome of the world wide financial crises (Adeyemi, 2009; Barney, 1991). To succeed in this competitive marketplace, banks must innovate strategies that focus on needs, attitudes, satisfactions and behavioural patterns of the market and apply matching strategies that could bring about satisfactory service delivery. The internal strategies that banks today introduced which brought improvements are Convenience and information and communications technology (ICT). ICT is a major bank strategic tool which

dramatically impacted on banking performance positively; because it focused on needs, attitudes, satisfactions and behavioural patterns of the market. ICT offers extended services, diversification of products, entry into new markets, and emphasizes electronic banking. The impacts of ICT on the banking sector of the Nigeria economy include:

- (i) Bankers Automated Clearing Services: This involves the use of Magnetic Ink Character Reader (MICR) for cheque processing. It is capable of encoding, reading and sorting cheques.
- (ii) Automated Payment Systems: Devices used here include Automatic Teller Machine (ATM), Plastic Cards and Electronic Funds Transfer.
- (iii) Automated Delivery Channels: These include interactive television and the Internet. Electronic Banking has tremendously improved the services of some banks to their customers. Diamond Integrated Banking Services (DIBS) of Diamond Bank Limited and Electronic Smart Card Account (ESCA) of failed All States Bank Limited are products geared towards creating sophistication in the banking sector (Aragba-Akpore, 1998) as quoted by Ahmed (2004). He made a comparative analysis between the old and new generation banks and discovered variation in the rate of adoption of the automated devices. Also On-line system has facilitated Internet banking in Nigeria which offers bank customers the flexibility of operating an account in any branch irrespective of which branch the account is domiciled (Ovia, 1997).

ICT systems have increased customer satisfaction in banks than the rest sectors of the economy and the era under study. Because of this, banks have invested more on IT, have more IT personnel, more installed base for Personal Computers (PCs), Local Area Networks (LANs), and Wide Area Networks (WANs) and a better linkage to the Internet than other sectors of the Nigerian economy just to improve service delivery (Ahmed ,2004). Whereas only one bank had ATM in 1998 by 2004, 14 of the Nigerian banks had acquired the technology. EFT also increased from 3 to 14; Smart Cards from 1 to 11; Electronic Home and Office Banking from 3 to 9 and Telephone Banking from 3 to 12 within the same period. The adoption of ICT in banks has improved customer services, facilitated accurate records, provided for Home and Office Banking services, ensured convenient business hour, prompt and fair attention, and enhanced faster services. The adoption of ICT in banks has not only improved the banks' image and led to a wider, faster and more efficient market; it has also made work easier and more interesting, improved the competitive edge of banks, improved relationship with customers and assisted in solving basic operational and planning problems. IT is also directly impacting on customer satisfaction locally in time saving, error rate reduction, enhanced management decision making, and improved speed of service delivery as perceived by the bank workers and customers. New electronic delivery channels for banking products and services are also available (Sanusi, 2010; Ugwu et al, 1999; Stephanie, 2007).

### **3. Methodology**

The research design is quasi-experimental design used in descriptive research. The cross-section sample survey of 400 banks' customers and 400 staff from the general population of 236208 and 117850 respectively ([www.wikipidia.com](http://www.wikipidia.com)), was carried out by administering two different sets of questionnaires. These data were measured within, 2005 to 2009 and 2010-2013 the period under studied. Total population was made up of 22 banks as at the time of this study, spread in 36 states of the Federation. The study was carried out in two states of Lagos and Rivers states out of 36 states. Formula used in determining the sample size is

$$n=N/I+N(e)^2 \quad (1)$$

where n is sample size sought, 0.05 is level of significance, N is population size (Taro Yamen's formula for determining the sample size of heterogeneous population), (Baridam,1999:93).The statistical technique used are the spearman rank correlation coefficient(r) and partial correlation; the coefficient of correlation was obtained from SPSS 17.0 output spearman rank.

#### *3.1 Samples of Data Presentation*

Two data tables for staff and customers of banks were used to enable the researcher learn the staff and customers' view concerning the subject matters. Areas covered include: demography of respondents and banks' profiles, descriptive analyses of data (2010-2013), statistical techniques-correlation analyses used on 2005-2009 data and the discussion. The demography of staff who responded (males/females) and banks' profiles show that,30.5% of the bank staff who responded to the questionnaires were management staff, 42% were senior staff, 13% were supervisory staff and 13.8% were junior staff and non has less than 10years of experience. All cadres of the bank staff responded and no bank was less than 20years of existence.

Table 1. Relationship between internal marketing strategy and product/service quality using spearman rank correlation coefficient

Items	RESULTS
Spearman rank correlation coefficient (r)	0.266 <sup>++</sup>
P- Value	0.000
Decision Criteria	PV < 0.05
Decision	Accept Ha-1

Source: SPSS 17.0 output spearman rank, appendix K of Research work.

### 3.2 Analyses of Data (2005 and 2009) Using Spearman Rank and Partial Correlation Coefficient

Having exhausted the hypotheses testing using the appropriate techniques, it is necessary to summarize the findings in table 2, discuss them and make inferences:

Table 2. Summary of decisions reached from the hypotheses tested

Hypotheses	R	P-Value	Decisions
Ha-1: There is a significant relationship between internal service marketing strategy and service/product quality (2005 and 2009).	0.266	0.000	Accept Ha-1: There is a positive and weak relationship between internal service marketing strategy and service/product quality between 2005 and 2009.
Ha-2: There is a significant relationship between internal service marketing strategy and market share (2005 and 2009).	0.219	0.000	Accept Ha-2: There is a positive and weak relationship between internal service marketing strategy and market share between 2005 and 2009.
Ha-3: There is a significant relationship between internal marketing strategy and return on owners' investment (2005 and 2009).	0.359	0.000	Accept Ha-3: There is a positive and weak relationship between internal marketing strategy and return on owners' investment between 2005 and 2009.
Ha-4: There is a significant relationship between internal service marketing strategy and customers' loyalty (2005 and 2009).	0.352	0.000	Accept Ha-4: There is a positive and weak relationship between internal service marketing strategy and customers' loyalty between 2005 and 2009.
Ha-5: There is a significant relationship between internal service marketing strategy and customers' satisfaction between 2010 and 2013.	0.552	0.000	Accept Ha-5: There is a positive and moderate relationship between internal service marketing strategy and customers' satisfaction between 2010 and 2013.
Ha-6: There is a moderating influence of technology on the relationship between internal service marketing strategy and customer satisfaction between 2010 and 2013.	DPC=	0.282	Accept Ha-6: Technology has been moderating internal service marketing strategy and customer satisfaction between 2005 and 2009.

## 4. Discussion of Findings

The summary of findings have been aggregated from the research results with the aim of arriving at conclusions that will underpin internal service marketing strategies practices that could enhance customers' satisfaction. They are the following: Internal marketing strategy of the bank had positive and weak relationship with product/service quality, market share, return on owner's investment and customer loyalty. It was evident that as from 2010-2013, the moderating influence of technology on the relationship between internal service marketing strategy and customer satisfaction was positive and significant while it was weak between 2005 and 2009.

Internal marketing strategy includes all that takes place from the idea generation up to the marketing of the core services/products offering using available resources, entrepreneurs' ability and innovativeness in an organization. It involves product/service, pricing, promotion and distribution strategies that are devoid of deception. Core service design/attributes that portray quality, organizational culture that incorporate team spirit and ethical elements that show honesty, dependability and fairness. Lancaster and Reynolds, (2004) cited that Internal

marketing strategy concept could guarantee a form of organizational culture where employees work as a team and are committed to continuously create superior customer value if applied in synergy with other strategies. But this was not the case according to the research findings for 2005 to 2009. Internal marketing strategy of banks showed weakness between 2005 and 2009. Information gathering via feedback from the customers was poor. Quality and improved services that could satisfy customers were lacking. Since product/services were the key, poor product/service orientation affected market share, return on owners' investment and customers' loyalty. The employees' support and commitment geared towards the customers were weak with weak market orientation (Lancaster and Reynolds, 2004). Cross-departmental teamwork was weak. Most bank managers said for efficient customers' service delivery positioning, internal marketing of their banks is now central on their annual strategic plan and market orientation which cultivates a set of shared values and beliefs about putting the customer first and reaping results in form of a defendable competitive advantage, decreased costs and increased profits their watchword.

Also poor corporate governance kills any organization according to the studies done by Soludo (2010). He cited that corporate governance, market orientation and team spirit of banks in Nigeria are still weak till today because every department of the bank operates independently and the bank maintains product orientation. Some bank managers when interviewed said that banks product varieties are targeted towards some customers. Banks' market share was weak because the internal marketing strategy applied was weak itself. When product/services are poor, the expectation is decline in all the customers' satisfaction indices.

For example, there is also positive and weak relationship that existed between internal marketing strategy and the return on owner's investment. Srinivasan (2007) said that poor innovative practices could cause reduced profitability in business ventures. There was poor innovation that characterized 2005 to 2009 banking leading to failures of many banks. Innovation is needed in market R and D of products, pro-activity to service complaint, team spirit and corporate vision. When these are lacking, return on owner's investment declines, causing the weakness. There is also positive and weak relationship existing between internal marketing strategy and the customers' loyalty. Srinivasan (2007) further posited that unsatisfied customers are not loyal to suppliers. This supports the research finding that return on owner's investment was weak. On the other hand, Some customers said their experiences with their banks' service delivery do not portray innovativeness and value added services as revealed in the measurement of customers' loyalty. But that they would not leave their bank because they hoped the bank would change.

Between 2005 and 2009, Internal marketing strategy planning and implementation led to several dysfunctionalities in service delivery. This situation dominated the banking industry then contributing to the failure of Savannah bank, Pan African bank, National bank while All-state Trust bank eventually witnessed major distress and was acquired. Standard Trust bank merged with United Bank for Africa and Intercontinental bank to form the new United Bank for Africa and Habib Bank merged with Platinum Bank to form Bank PHB (Keystone bank).

Between 2010 and 2013, the banking industry has deployed technology massively to reverse the experiences of 2005 to 2009 in the banking industry. Its moderating influence between internal service marketing strategy and customer satisfaction is pervasive in banks' customers' value chain as cited earlier by Ugwu et al (1999). Stephanie (2007) listed the technologies banks employ today as computer, internet, E-banking, power supply systems and ICT. Their studies agree with these research findings. They further said that Information and communications systems are major bank strategic tool which has dramatic positive impact on banking performance; because it focused on needs, attitudes, satisfactions and behavioural patterns of the market. IT is also directly impacting on customer satisfaction locally in time saving, error rate reduction, enhanced management decision making, and improved speed of service delivery as perceived by the bank workers and customers interviewed. These services were not profound in the 2005 to 2009 era. Thus managers cannot ignore Information Systems because they play a critical role in contemporary banking. On Customer Satisfaction and regulations, the impact of E-banking should ordinarily bring difference and arguably lower barriers to entry; opportunities for significant cost reduction; the capacity to rapidly re-engineer business processes; and greater opportunities to sell across the borders. Customers also have the potential benefits of more choice; greater competition and better value for money; more information; better tools to manage and compare information; and faster service. Thus from the foregoing discussion, the application of technology to banking practices today has made difference from the era of 2005 to 2009. Hence from the descriptive analyses carried out for 2010 to 2013 data, 3.87(69%) staff respondents agreed that their banks carry out a number of innovations annually to improve on services as against 1.13(31%) that disagreed, 3.76(60%) confirmed that their banks reduce service mistakes annually against only 1.24 (40%) that disagreed, 3.96(78.75%) confirmed that their banks' have strong

entrepreneurship and undertake market R&D of products annually against 1.04(1.3%), 3.6(58.7%) agreed that their banks have huge financial base and could commit huge amount of money on advertisement annually. Further more 4.16(98.7%) staff respondents agreed that there is inter-departmental team spirit in their banks, 3.75(78.7%) agreed that their banks practise corporate democracy and 3.84(79.5%) staff agreed that delegation of duty and empowerment to perform is encouraged in their banks. These are remarkable improvements of Nigerian banks in this era.

The descriptive analyses on items of service/product quality, market shares, return on owners' investment and customers' loyalty over the period 2010-2013 revealed average performance for some banks. For example, 3.97(56.75%) staff respondents and 2.03(40.25%) customers confirmed that service delivery is excellent in Nigerian banking industry while 2.31(43.02%) disagreed.

A total of 4.12(88.50%) staff and 2.45(48.15%) customers' respondents confirmed that value addition of services annually is satisfactory in the banks while 2.48(56.17%) customers disagreed. 2.51(50.75%) staff respondents supported that the frequency of service failure is low while 3.99(85.12%) customers disagreed that it is low. From the above analysis, banks have a high frequency of service failures.

Also 5(100%) respondents supported that comparatively their banks' market share is above the average range. Also 3.89(80%) respondents confirmed that there is always integrative approach to achieve set market target in their bank. Those who disagreed might have experienced stock market collapse of 2007; it was evident that banks were using unconventional marketing practices to pursue their market target. 2.78(55%) staff respondents supported that they do experience influx of customers who express satisfaction with their banks' pattern of service delivery due to uniqueness of their products/services while 2.78(48.13%) disagreed. Banks' patterns of service delivery as well as their products/services quality have the capability to guarantee customers' satisfaction.

Furthermore, 2.98(60%) staff respondents disagreed that bank's investors do express satisfaction regarding their rate of return on investment while 1.89(46.73%) respondents supported it. 3.26(69%) respondents confirmed that inquiries from investors both foreign and local show high interest in partnering with the bank while 1.74(30.01%) disagreed. The banks performance is the core thing that could attract investors. 356(89%) respondents confirmed that their banks' return on capital investment is ranked very high among other banks, while 0.4(1.8%) disagreed. This means that return on owners' investment is high in some banks and low in others. 2.5(50%) staff respondents supported that higher rate of returns customers enjoyed is linked with customers' satisfaction attributed to banks' service quality while 2.5(50%) disagreed. The banks' return on owners' investment is average. Finally 2.34(47.23%) respondents confirmed that in 2010-2013, their bank have greatly increased the value of shareholders investment, 2.66(52.77%) disagreed showing a low return on owners' investment in the banks.

When data on items of customer loyalty were analysed, 3.94(98.5%) respondents agreed not to dump their banks for another while 0.4(1.3%) agreed to dump their banks for another one. This shows loyalty by the majority of the customers to their banks.

2.21(47.50%) respondents confirmed that their banks' innovative practices are very appreciable while 2.03(42.17%) said their banks' innovative practices are not very appreciable. 2.45(48.43%) respondents confirmed that their banks value-added services are the best; 2.31(46%) were in disagreement. 3.5(87.50%) respondents confirmed that they don't think any other bank has better products/services than their bank while 0.4(1.3%) people had different opinion. These analyses reveal that bank customers show loyalty to their banks, may be due to attachment, only few customers said it is due to good service delivery. From the descriptive and bivariate analyses above, banks in Nigeria have moderate performance in 2010–2013 than in 2005 to 2009.

## 5. Conclusion

The study concludes that the relationship between internal marketing strategy of Nigerian banking industry and service/products quality, market share, return on owners' investment and customers' loyalty were weak from 2005 to 2009 and moderate between 2010 to 2013 because of aggressive innovations in technology. The implication is that Weak internal market strategy could cause weak market orientation and strong product orientation, Weak R&D department, weak team spirit and unbalanced innovation. It inhibits marketing oriented innovations. That might be part of the reasons why there were massive failures between 2005 and 2009. For today's banking industry to sustain growth and not fall back to the experience of 2005 to 2009: (1) Entrepreneurial orientation (2) Technological capabilities (3) Financial resources base could be used interactively to achieve organizational goal of growth and profitability while corruption which is the major limitation must be nipped to the board. Nigerian Banks should adopt also international best practices, apply enterprise risks

management plan that is integrated and holistic. Noting that banks are in business of taking risks; without risk taking the possibility of making money becomes illusive.

### *5.1 Recommendations for Further Studies*

This research focused on population sample size of 400 each for banks' staffs and customers in Lagos and Rivers states respectively from the South-West and South-South geo-political zones. Future research in this area should endeavour to collect data from a bigger sample to increase the precision of the results and to enable firmer conclusions to be drawn.

The culture, regulatory agents, Government policies customers and staff of the bank influence the implementations of strategies. To be able to mainstream the impact of environment on the implementations of bank strategies, a study should be carried out to determine the extent of the impact and recommend a way forward.

As indicated in the research design, the research contextual population was limited to 12 banks from which the findings and conclusions were based. It is entirely possible that there may be significant differences in the findings if this study is replicated using the other banks.

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