

Lanre Amodu

CUSTOMER RELATIONS AND PERCEPTION OF NIGERIAN BANKS

An Evaluation of Intercontinental Bank And Prudent Bank



Lanre Amodu

CUSTOMER RELATIONS AND PERCEPTION OF NIGERIAN BANKS

Lanre Amodu

CUSTOMER RELATIONS AND PERCEPTION OF NIGERIAN BANKS

An Evaluation of Intercontinental Bank And Prudent Bank

VDM Verlag Dr. Müller

Impressum/Imprint (nur für Deutschland/ only for Germany)

Bibliografische Information der Deutschen Nationalbibliothek: Die Deutsche Nationalbibliothek verzeichnet diese Publikation in der Deutschen Nationalbibliografie; detaillierte bibliografische Daten sind im Internet über http://dnb.d-nb.de abrufbar.

Alle in diesem Buch genannten Marken und Produktnamen unterliegen warenzeichen-, markenoder patentrechtlichem Schutz bzw. sind Warenzeichen oder eingetragene Warenzeichen der
jeweiligen Inhaber. Die Wiedergabe von Marken, Produktnamen, Gebrauchsnamen,
Handelsnamen, Warenbezeichnungen u.s.w. in diesem Werk berechtigt auch ohne besondere
Kennzeichnung nicht zu der Annahme, dass solche Namen im Sinne der Warenzeichen- und
Markenschutzgesetzgebung als frei zu betrachten wären und daher von jedermann benutzt
werden dürften.

Coverbild: www.ingimage.com

Verlag: VDM Verlag Dr. Müller GmbH & Co. KG Dudweiler Landstr. 99, 66123 Saarbrücken, Deutschland Telefon +49 681 9100-698, Telefax +49 681 9100-988 Email: info@vdm-verlag.de

Herstellung in Deutschland: Schaltungsdienst Lange o.H.G., Berlin Books on Demand GmbH, Norderstedt Reha GmbH, Saarbrücken Amazon Distribution GmbH, Leipzig ISBN: 978-3-639-30103-8

Imprint (only for USA, GB)

Bibliographic information published by the Deutsche Nationalbibliothek: The Deutsche Nationalbibliothek lists this publication in the Deutsche Nationalbibliografie; detailed bibliographic data are available in the Internet at http://dnb.d-nb.de.

Any brand names and product names mentioned in this book are subject to trademark, brand or patent protection and are trademarks or registered trademarks of their respective holders. The use of brand names, product names, common names, trade names, product descriptions etc. even without a particular marking in this works is in no way to be construed to mean that such names may be regarded as unrestricted in respect of trademark and brand protection legislation and could thus be used by anyone.

Cover image: www.ingimage.com

Publisher: VDM Verlag Dr. Müller GmbH & Co. KG Dudweiler Landstr. 99, 66123 Saarbrücken, Germany Phone +49 681 9100-698, Fax +49 681 9100-988 Ernail: info@vdm-publishing.com

Printed in the U.S.A.
Printed in the U.K. by (see last page)
ISBN: 978-3-639-30103-8

Copyright © 2010 by the author and VDM Verlag Dr. Müller GmbH & Co. KG and licensors
All rights reserved. Saarbrücken 2010

DEDICATION

This work is dedicated first of all to God Almighty, then to my parents, Mr. & Dns. E. O. Amodu. You are the greatest parents in the world. I also dedicate it to my darling wife, Precious Taiye Amodu. I love you.

ACKNOWLEDGEMENT

This work received a lot of support from many people without whom it would not have turned out to be a success. My first appreciation goes to my initial supervisor, Prof. Babatunde Folarin, and my second supervisor, Prof. Segun Odukomaiya, for their diligence and thorough supervision which brought about the success of the work. I also appreciate my senior colleagues: Mr. Dokun Omojola, Dn. Godwin Oboh, Ms. Stella Aririguzoh, Mr. Shola Ishola, Mr. Olushola Oyero, Mr. Nnamdi Ekeanyanwu, and Mr. Joseph Obe.

I wish to express my profound gratitude and love to my darling parents; Mr. and Dns. E.O. Amodu. Thanks so much for you love, sacrifice and encouragement. My deep appreciation also goes to Rev. & Mrs. Jide Amodu and family, Arc. & Mrs. Rotimi Amodu and family, Mr. & Mrs. Olumide Oniyanda and family, and Ms. Olajumoke Amodu. You are the best family anyone can ever pray to have. I also appreciate my dearest wife, Precious Taiye Amodu, thanks for always being there. I wish to thank you too Dr. Roy Ndom for your fatherly advise and encouragement. I cannot but appreciate my pastor, Pastor Taiye Adeola. Thanks for your interest, concern, encouragement and prayer.

I am also indebted to Mrs. Funmi Braithwaite and Mr. Segun for assisting in the distribution of my questionnaire in Intercontinental Bank; and Mr. Ayo Opatola as well as Pastor Aliu for doing the same in Prudent Bank. I also wish to appreciate the interest and help of Mrs. Tayo George. This acknowledgement will not be complete without me appreciating Mr. Adejumo. Thank you very much for your immeasurable assistance with my data analysis.

Again, I appreciate the Chancellor of Covenant University, Bishop David Oyedepo. I also thank the Vice Chancellor, Prof. Aize Obayan and the Registrar, Dn. Yemi Nathaniel, for their interest and concern. Finally, I bless the name of the Lord God Almighty for his steadfast love that endures forever.

TABLE OF CONTENT

Dedication	1
Acknowledgement	2
Table of content	3
List of table	6
CHAPTER ONE	
INTRODUCTION	7
Background of Study	8
Prudent Bank	9
Branch Network	9
Electronic Banking	9
Western Union Money Transfer	10
Awards and Recognitions	11
The Consolidation Project	12
Intercontinental Bank	13
Branch Network	13
Bank Indices	13
Products	14
Beneficiary of Fund	15
Subsidiaries	16
The Consolidation Project	17
Statement of the Problem	17
Objectives of the Study	18
Research Questions	19
Hypotheses	19
Significance of the Study	20
Scope of the Study	20
Limitation of the Study	20
Definition of Terms	21

CHAPTER TWO	
LITERATURE REVIEW	19
Introduction: Evolution of Banks in Nigeria	19
The growth of commercial banking in Nigeria	21
The Development of Merchant Banking	23
The Regulatory Environment	24
Perception	25
Norm Formation	27
Public Relations	29
Customer Relations	31
Theoretical Frame Work	32
Systems Theory	33
Situational Theory	34
Action Assembly Theory	35
CHAPTER THREE	
METHODOLOGY	37
Research Design	37
Study Population	37
Sample Size and Sampling Technique	37
Instrumentation	38
Method of Data Collection	38
Data Analysis Technique	38
Validity and Reliability	39
CHAPTER FOUR	
RESULT	40
Demographic data	40
Research Question One	43
Research Question Two	44

Hypothesis One	45
Hypothesis Two	51
Discussion	53
CHAPTER FIVE	
SUMMARY, CONLUSION AND RECOMMENDATION	54
SUMMARI, CONLUSION AND RECOMMENDATION	
Summary	54
Conclusion	56
Recommendation	57
Suggestion for further studies	58
Bibliography	59

LIST OF TABLES

- Table 1- Sex distribution of the respondents in Intercontinental Bank and Prudent Bank
- Table 2- The marital status of the respondents of Intercontinental Bank and Prudent Bank
- Table 3- The occupational status of the respondents of Intercontinental Bank and Prudent

 Bank
- Table 4- Summary of respondents' perceived efficiency of bank staff
- Table 5- Summary of respondents' attraction by the level of services given to customers by bank staff
- Table 6- Bank affiliation vs. satisfaction with customer relations activities of banks.
- Table 7- Summary of t-test results on customers' satisfaction with the customer relations activities of Intercontinental Bank and Prudent Bank
- Table 8- The customer distribution of Intercontinental Bank and Prudent Bank
- Table 9- Purpose of transaction
- Table 10- Ways of transaction
- Table 11- Attention reported by respondents
- Table 12- Difficulties report by respondents
- Table 13- Frequency of levels of loyalty (trust and reputation)
- Table 14- Summary of t-test results of customers' levels of loyalty (i.e. trust and reputation), of customers of Intercontinental and Prudent banks

BIBLIOGRAPHY

- Afolabi, L. (1990). Law and practice of banking. Ibadan: Heinemann Educational Books (Nig) Plc.
- Anyanwaokoro, M. (1999). Theories and policy of money and banking. Enugu: Hosanna Publication.
- Asabia, S. O. (1992). Essays in money and banking. Ibadan: Fountain Publications.
- Baskins, O. et al (1997). *Public relations: The profession and the practice*. New York: McGraw-Hill Companies, Inc.
- Brehm, S.S. & Kassin, S.M. (1996). Social psychology (3rd ed). London: Houghton Mifflin Company.
- Brassington, & Pettitt, (1997). Principles of marketing. London: Pitman Publishing.
- Cohen, A.R. et al (2001). Effective behavior in organizations. Cases, concepts and student experiences. New York: McGraw-Hill Companies Inc.
- Daramola, A. C. (2003). Fundamentals of public relations. Lagos: MICM.
- Hawkins, D.I., Best, R.J. & Coney, K.A. (2004). Consumer behavior: Building marketing strategy. New York: McGraw-Hill Companies Inc.

Jobber, J. (2004). Principles and practice of marketing (4th ed). U.K: McGraw-Hill Companies Inc.

LipsCombe, G. & Pond, K. (2002). The business of banking: An introduction to the modern financial services industry. US: Financial Word Publishing.

Luthans, F. (2005). Organizational behavior. New York: McGraw-Hill Companies Inc.

Ndekwu, E. C. (1994). First Bank of Nigeria: A century of banking. Lagos: Safari Book (Export) Limited.

Perrealt, Jr. E. & McCarthy, J. (2005). Basic marketing: A global managerial approach. New York: McGraw-Hill Companies Inc

Santrock, J.W. (2003). Psychology 7. USA: McGraw-Hill Companies Inc.

Virginia, B. (1999). Public relations: A practical approach. Enugu: Virgin Creation.

Wiggins, B.B. et al (1994). Social psychology (5th ed). USA: McGraw-Hill Companies Inc.

JOURNALS

- Berry, Leonard, L. & Parasuraman, A. (1997). Listening to the customer: The concept of a service-quality information system. Sloan Management Review, 38, 65-76.
- Berry, Leonard, L., Zeithaml, & Valarie A. (1994). Improving service quality in America: Lessons learned. The Academy of Management Executive, 8, 32-52.
- Bitner, et al (1994). Critical service encounters: The employee's viewpoint. *Journal of Marketing*, 58, 95-106.
- Chase, et al (1994). Make your service fail-safe. Sloan Management Review, 35, 35-44.
- Cohen, A.R. et al (2000). Saturn's supply-chain innovation: High value after-sales. Sloan Management Review, 41, 93.
- Cronin Jr., Joseph, J., Taylor, & Steven A. (1992). Measuring service quality: A reexamination and extension. *Journal of Marketing*, 56, 55-68.
- Keaveney, & Susan, M. (1995). Customer switching behavior in service industries: an exploratory study. *Journal of Marketing*, 59, 71-82.
- Pine II, et al (1995). Do you want to keep your customers forever? *Harvard Business Review*, 73, 103-114.
- Reinartz, Werner, J. & Kumar, V. (2000). On the profitability of Long-Life customers in a noncontractual setting: An empirical investigation and implications for Marketing. *Journal of Marketing*, 64, 17.

Tax, Stephen, S., Brown, & Stephen W. (1998). Recovering and learning from service failures. Sloan Management Review, 40, 75-88

WEBLIOGRAPHY

Yusuf, K. (2001). Customer relationship management in Nigerian financial services industry (PDF file). Retrieved from:

www.mbendi.co.za/phillipsconsulting/articles/articles04.htm