

Impact of Marketing of Deposit Money Bank Services on Customers' Patronage and Loyalty. Empirical Study of Five Deposit Money Banks in Nigeria

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Abstract

Marketing helps to attract its target customers thereby creating a relationship where exchange can be made possible. However, communication gap in deposit money banks constitute a major problem in the banking system and there is a need to bridge such gap as it affects customer's loyalty and patronage significantly.

The objective of this study is to examine the effects of marketing of deposit money bank services on customer patronage and loyalty. This study examined five (5) deposit money banks which were chosen at random. Guarantee Trust Bank (GTB), United Bank for Africa (UBA), Eco Bank Plc, First Bank Plc and Skye Bank Plc. Primary data was used in the course of the study through the use of questionnaires in ensuring that the necessary data were obtained for the analysis. A total number of one hundred and fifteen (115) copies of the questionnaire were administered to the customers of the selected banks. The copies of the returned questionnaire were a hundred and thirteen (113) which were coded in the Statistical Package for social science (SPSS 23). A linear regression model was adopted in order to measure the effect of the independent variables on the dependent variables. The study found that marketing of deposit money bank has a significant effect on customer patronage and loyalty.

The study concludes that marketing is highly essential to the survival of any bank thereby ensuring communication is effective between the bank and their customers. The study recommends that banks should ensure that effective marketing strategies such as; creating awareness of the products and services are developed by adopting marketing principles that will enable them to acquire more customers and have a long-term relationship with the existing ones.

Keywords: bank management; patronage; loyalty; working capital management; financial services

JEL Classification: M31; G21

Introduction

Marketing plays a very important role in the Nigerian banking system and as such the need for marketing cannot be overemphasized. According to Kotler (2000) and Giese and Cote (2000) "marketing is human activities that are directed at satisfying needs and wants through an exchange process". The main aim of marketing is to identify the wants and needs of customers and ensure that they are adequately met through exchange processes. Isibor, Ojo, and Ikpefan (2017) posited that growth is a vital and necessary condition for development in an organization. Thus,

marketing is very crucial to the growth of a bank and it is important to be adopted by banks in order to maintain its market share and profitability in the long run. This will put a bank at the edge of competition in the banking industry. Adebowale (2015), agrees with the fact that a major cause of increased competition and changes in the marketplace has been the need for banks to become more market-oriented and to engage in marketing activities. Marketing is aimed at meeting the desires of not just the customers but also the banks since the product has to be first of all marketed before it can be patronized by the customers which result in high returns and expansion to the bank.

To achieve an effective marketing system which results in an operational efficiency of the bank, the desire and the needs of the bank's target group has to be first of all determined before the bank's service can be built and rendered. This is why banks employ agents (marketers) to perform both retail and postal functions to process client's transactions rather than the branch tellers (Achugamonu, Taiwo, Ikpefan, Olurinola and Emena 2016).

This will create a focus for the bank on what is needed by the society so as to prevent waste of time, money, resources, investments and all other necessary inputs. According to Lawal (2014), marketing theories and practice are justified in the belief that customers use a product or service because they have a need, or because it provides a perceived benefit. Without the need for the product, it is as good as nothing to the customer's use and benefits. A bank must, first of all, identify the problems in the society, the needs and wants of the people and how best to meet this needs better than its competitors. The marketing department of a bank firm has to be well equipped with various avenues of attracting customers. For instance, a bank cannot survive without its customers in this competitive age and to achieve this, the bank's marketing department must strive to apply the necessary marketing strategies. Effective marketing can be achieved by creating an awareness of the bank's products and services and making them available to suit the needs of the customers thereby enhancing patronage. This will result in the satisfaction of the bank's customers which enables them to be loyal to the bank. Customers are in search of new and more improved products, and companies are forced to produce and supply new products that meet the taste, needs and expectations of the customers (Behzad, Ahmad, Seyed, and Majid 2013).

Marketing is the backbone of any organization because marketing helps to attract its target customers and thereby creating a relationship where exchange can be made possible. For banks, marketing creates a connection or a link between the bank's product and the customer and this means that a bank's product can only be marketed based on the perceived value that will benefit the customer. Customer oriented approach is widely focused on in marketing rather than on sales-oriented approach because it profits the bank in the long run, by building up customer relationship and loyalty. Sales oriented approach is dangerous to the health of a bank. Trying to persuade a market segment to buy something they do not want is highly costly and sometimes unsuccessful, (Lawal 2014). The bank has a major role in determining the level at which marketing plans and activities are implemented to achieve the necessary aim the firm wishes. The bank's ability to establish an organized marketing system ensures a highly effective implementation of marketing strategy to suit the primary objective of the firm, which is to make profit. The bank has to develop the capacity to produce the goods and services that will meet the needs of the customer and that will be of a great relevance to their daily activities. The bank also should have the ability to adapt to changing needs and wants of the customer. Failure of banks to do so will lead to the loss of potential and existing customers because other banks will come up with newer and better strategies, methods and ways of meeting the customer's needs and wants. We are in a competitive age and the state of the economy requires banks to be on top of their game in order to gain a competitive advantage over all other banks in order to increase their market share.

Banks should also consider the changes in the external environment such as technological environment, demographic environment, socio-cultural environment, legal environment, and economic environment so as to be updated regularly on the current trends in the banking industry. Yisa (1998) suggested that it was necessary for banks to be continuously informed of changes in its external environment and the opportunities and threats caused by such changes. Banks fold up these days because of their lack of sensitivity to changing environmental factors in addition to their lack of commitment to rendering quality services that meet the customers' needs. For example, the recapitalization of bank's capital base in 2005 had caused banks like Afribank, Spring Bank, and Bank PHB to be taken over by the Central Bank of Nigeria in 2011 because of their lack of sensitivity to changing environmental factors (legal factor) and poor performance. This has necessitated other banks to take the marketing of their products more seriously. Although banks render a wide range of services that may be popular and well known to majority such as the creation of accounts, deposits of money, withdrawal of money, savings etc., there are still some product developments that need to be considered in the banking sector. Marketing enables innovation and also inventions to take place through its various avenues. The marketing arm of the bank has a lot to offer to the banking sector. Marketing is the most useful and important tool for the banking sector and it aims at satisfying both

customers and bankers (Ikpefan 2013). It makes life easier for both the customer and the bank and also enables efficient delivery.

The problem in marketing most bank's product is the technicality and challenges that are associated with the characteristics of a service. Service is an intangible element and therefore needs to be aggressively marketed before it can be patronized. It is different from a manufactured product that is visible and that can be stored as a stock. Before 1989, armed chair banking was adopted, where banks were not innovative and the competition was low. Customer's patronage and loyalty were at a minimum level due to the unconducive atmosphere of the bank then, unbearable long queue to rude responses by bank's staff. The introduction of the structural adjustment programme (SAP) encouraged the growth of new deposit money banks which led to competition among Nigerian banks causing the adoption of various marketing principles. Due to the emergence of the new generation banking and other factors such as advancing technology, globalization, and recapitalization, banks were forced to imbibe the principle of competitive advantage in order to have a higher market share over other banks and maintain sustainability in the long run. Marketing is one of the prominent tools adopted by banks to gain a competitive edge. However, marketing has issues that are yet to be resolved in the banking sector. New products are being developed regularly but the lifespan of these products and services are becoming shorter due to the replacement of the products with newer and more upgraded version by competitors. The problem is that marketing has not been able to effectively communicate to the customers regarding the improvements of various existing products and the existence of new emerging services offered in the bank. Marketing has not been successfully used to ensure patronage of products with a short lifespan in order to generate bank's perceived revenue. Banks make little or no profits on their new products because relevant marketing tools were not applied in time before the products begin to decline. Although marketing enables innovation and invention. But, these developments are yet to be effectively communicated to the customers through the right channel. The marketing departments has not created a platform for communicating with the customers, such that customers are able to ask questions, offer advice and recommendation relating to the bank's services. Communication gap exists in the banks because it is assumed that customers are aware of the range of services offered by banks that suit them. But in reality, it is not so. Communication gap affects customer's loyalty and patronage and this problem is rampant among banks. Adebowale (2015) agrees that staffs are inexperienced at having an effective interaction which leaves customers dissatisfied.

The marketing department has not been able to effectively enlighten their customers. For instance, most customers raise complaints that they were unaware of the charges that accrue from certain services rendered to them. This complaint arises due to lack of knowledge or unawareness of some services rendered in the bank and the necessary conditions or cost attached to the offer of those services. There is also a delay in response to the complaint by customers. Without acknowledging the complaints of existing customers, there will be no room for improvement which leads to the loss of existing customers. Also, there won't be room for new and existing product development. Not only does the marketing department need to provide relevant information to the customers, they also need to disclose sufficient information to the customer. This is essential in order to enable the customers to decide whether or not a given or set of services is right for them. In doing so, customers will not only patronize such banks but will retain his or her loyalty to the bank. But this is not the case in the Nigerian banking sector where some banks are secretive when it comes to providing full disclosure of information, they tend to protect their public image, but sometimes this is to the detriment of the public. Due to deposit money banks habit of restraining information, customers' loyalty reduces so also their patronage. This constitutes a major problem to deposit money bank. Therefore, disclosure has to be made in form of public information that the public can have access to in order to ascertain whether or not the bank is operating in the public interest. The disclosure of information boosts public confidence in the banking sector which improves their banking habits. One of the main aims of marketing is to improve the working capital position of their banks in other to have sufficient credit and funds to run the affairs of the business (Osuna, Ikpefan, Osabohien, Ndigwe and Nkwodimmah 2018).

As earlier mentioned, some deposit money banks fail due to their unresponsiveness to changes in the external environment, banks face the challenge of losing to other competing firms. This constitutes a major problem to the banking industry especially in relation to the retention of customers and patronage by the customers. Marketing has not been properly used to detect and adapt to changes presented to the banks by the external factors which constitute threats and opportunities in the dynamic environment. This study aims to look at the positive effect marketing has on the deposits or customer base of the deposit money banks in relations to customer's patronage and loyalty. The above is section one of this paper. Section two dwells on literature review, conceptual framework, empirical review and gap in literature. Section three discusses the methodology while section four dwells on data presentation and analysis. This paper ends with findings, conclusion and recommendations.

1. Literature review

Marketing is a vital tool of the banking sector due to the fact that it provides a means of satisfying customers' benefit and not only does it benefit the customer but also the banker. It satisfies customer benefit by making provision for their innate wants and desires and also the banker by assisting them to identify and segment target customer. Marketing aims at serving and satisfying human needs and wants thereby making it a strategic factor in the economic structure of any society. Marketing is, therefore, a catalyst for the bank's performance and competitiveness in the new era of the banking industry. It is also agreed by Abiodun, George, and Afolabi (2014) that due to severe competition in the banking industry and changes in trends, banks are forced to adopt marketing strategies as a tool for success.

Marketing to the banking sector is also an essential tool when it comes to allocating their resources to the right segment of the market. Marketing aims to identify the basis of customers' unique needs, satisfying those needs, retaining customers and locating additional customers. According to Cherinet (2015), Customers are the main aim of marketing activities all around the world and success in terms of high profitability is impossible without the customers. This means that all the activities of marketing revolve around the ability to attract customers and retain them in order to aid the achievement of the bank's objective which is to increase deposit base and to make a profit. Marketing is emphasized to include activities that deal with being close to the customers, stressing on the satisfaction of customer and the building of customer relationship, understanding the customer value and the enhancement of product offering to better suit the needs of customers. Deposit Money Banks need to engage rigorously in strategic marketing if they want to succeed in achieving a competitive advantage. Orville and John (2014), agrees with the fact that the principal focus of strategic marketing is to effectively allocate and coordinate marketing resources and activities to accomplish the firm's objectives within a specific market. Deposit Money Banks need to identify customers' needs and also ensure that they are involved in scanning the environment through marketing research. There is also the need for the bank officials to identify clear and effective means that would engender the satisfaction of customers'. Bank marketing does not only include service selling of the bank but also is the function which gets personality and image of the bank on its customers' mind. The banking sector has changed phenomenally. Activities in the bank have transformed from the manual ways of providing services to electronic banking. This also connotes that the era of arm chair banking is over, banks are now involved in aggressive marketing to improve their market share and mobilize deposits (Ikpefan, Akpan, Osuma, Evbuomwan and Ndigwe 2018).

1.1. Conceptual framework

The concept of financial service marketing is the general idea and meaning of bank service marketing and customer patronage and loyalty. Bank service marketing is defined by Deryk, W. cited by Ikpefan (2013), as "identifying the most profitable market now and in the future, accessing present, and future needs of the customers, setting business development goals and marketing plans to meet them and managing the various services and promoting them to achieve plans".

What is bank service marketing?

Bank service marketing has been viewed in numerous ways by various researchers such as Ikpefan (2013), Lawal (2014), Adebowale (2015) and more recently, Mahtab and Abdullah (2016). There has been no standard definition of marketing as various researchers and writers have given their different opinion on what marketing is about. According to American Marketing Association (1985), Marketing is described as a process of planning and executing the conception, pricing, promotion, and the distribution of ideas, goods, and services in order to create an exchange that satisfies individual and organizational objectives. Wilson (2002) defined marketing as the identification of consumer's needs which consists of what goods and services are bought, why they are bought, by whom they are bought and how they are bought. By answering this question, it becomes clearer to banks on what customers are expecting and how they want their needs met. Wilson's definition is more of questions asked when undertaking marketing research in order to identify these needs and to meet them effectively through the results obtained from the market research. Marketing has also been defined by Bamgoye (1984) as the part of a management activity that aims to direct the flow of banking services to selected target customers in order to generate earnings.

The aim of marketing is to serve and satisfy human needs and wants to make it a strategic factor in the economic structure of any society, including a nation (Ogunsanya 2003) cited in (Ikpefan 2013). This implies that marketing is crucial in identifying the essential needs and wants of customers. Marketing research has to be done in order to identify the needs and making marketing plans to meet them in strategic ways which makes it an

important factor or force in meeting the various needs of the society and nation at large. Marketing seeks to attain a higher level of success by gaining a competitive edge over all other competitors in its overall activities in the banking industry. Firms try to optimize their earnings by identifying and meeting the needs of the market thereby applying the principles of marketing in attaining competitive advantage and increased market share.

Marketing is defined by Onyiriuba (2008) as internal and external, human and corporate, goal-directed activities in which the business engages with the aim of satisfying needs and wants of the customer. It is a business practice used as a corporate survival strategy of deploying human and material resources to identifying and satisfying the unfulfilled market needs which will yield returns to the business. When marketing is central to an organization, customer needs are emphasized and this is used as a means of surviving competition and increasing market shares and earnings in the long run. Marketing induces high switching cost to customers because since the firm is able to identify and meet their needs effectively, it becomes harder for the customers to leave making switching cost high. Customers seek a high level of satisfaction from deposit money banks and this requires a high level of inputs such as human and material resources to best meet customers' needs. Therefore, the marketing department must possess the unique skill to excel in their dealings.

According to Kotler (2001), the marketing department is responsible for the management of the following demand which includes; negative demand, no demand, latent demand that is a strong need that cannot be satisfied with existing products, declining demand due to change in taste and preference, irregular demand that is demand that varies by season, full demand and overfull demand. An effective and efficient marketing department assume a lot of responsibilities that partake in the acquisition of customers, so they concentrate on the various demands that customers are interested in satisfying. They deal with different needs of the customer and ensure that these varying needs are adequately met in order to retain their existing customers and attract new ones. Marketing helps to suppress negative demand by replacing the unwanted service with a new and upgraded one that would best meet the customer's needs. It arouses new demand by providing varieties of services that the customers can choose from.

According to Reekie (1972), marketing is the part of management activity that directs the flow of banking services to selected customers in a profitable manner. Marketing in any organization fosters banks activities and is one of the main mechanism for achieving profitability in the industry. Banks play a major role in the provision of financial services and are key participants in the national payment system. As such, banks now need to operate in situations of keen competition in their financial service activities, whether it may be canvassing of deposits, or extending their credit line or in selling ancillary services. With the liberalization of the banking sector and entry of more players, the banks need to become market-oriented with new and innovative schemes, at competitive prices available at the place the customer needs them; delivered with efficiency and quality of service.

The concept of consumer's patronage and loyalty

The style of providing financial services especially in the banking sector has been uniquely and previously described as "armchair". The description of a situation that negates the importance of marketing content and application for an improved level of customer satisfaction, customer loyalty, and brand equity was also negated (Okigbo 2001). The major indices of marketing performance as described by Afolabi (2008) includes customer satisfaction, loyalty and brand equity. Satisfaction of customer is what ensures continual patronage of the deposit money bank's offering. Banks need to be aware that the creation of value in their offerings is a major catalyst for continual patronage. Although bank practices in Nigeria have been seen to be effective according to the findings by Sani and Animashaun (2015), banks have been advised to continually improve on their marketing strategies in order to promote long-term patronage with the bank. Deposit money banks should also develop and maintain a long-term relationship with their customers because the nature of Nigerian business is mostly built on connections and contact with people so as to get their loyalty in turn. Customer loyalty is defined by the desire of customers to continue a relationship with the company. Loyalty is classified as repeat patronage by customers (Reibstein 2002) but the motive that inspires such repeat patronage is not revealed which makes a major difference between the two concepts, loyalty, and patronage. Continuous patronage is based on the perceived value that the customer continually receives in their dealing with the bank but in loyalty, the motive for continuous dealings with the bank is not unveiled. The behavior or motives could be based on habits, third person influence or random chances. Loyalty is a situation of lack of switching to other banks even with the absence of switching costs. Loyalty is the intention of repurchasing products and services and is deeply held by commitment. Such commitment has made the customer remain the bank's client without the intention of patronizing other deposit money banks. Customer loyalty is seen as a major factor in a company's success (Khan 2013). Loyalty is the commitment to do business with a particular organization which reflect in repeat purchase of goods and services. Loyalty can lead to recommending

bank's services to friends and associations. It is the demonstration of faithfulness despite occasional errors or indifferent service rendering.

According to Bagdoniene and Jakstaite (2007), customer loyalty is the highest valuable result of marketing efforts, this makes the development of customer loyalty as an important focus on marketing strategy. Building customer loyalty has become an intense strategy due to increased competition and globalization (Cherinet 2015). Loyalty has such benefits as lowering the price sensitivity of customers, reduced marketing expenditure on attracting new customers and increased profitability. If customers are able to pass on favorable word of mouth comments about the bank and its products, it is said that customer loyalty is attained. Customer patronage and loyalty go hand in hand, the difference being the level of commitment which has been devoted to the bank through loyalty. Customers' patronage is merely based on the perceived value from the bank's offering, excellent services, efficient delivery of their products and services and the responsiveness of their banks to changes in their needs and wants. According to Uppal (2010), the task of every bank is not only to create and win more customers but also to retain them in the business through consistency in the provision of an effective programme of customer-focused services. Retained customers in business are the satisfied and loyal ones with relative lifetime value that helps the business to maintain its competitive advantage which is relative to enhanced equity (Kotler 2004).

1.2. Empirical framework

Marketing has greatly impacted the Nigerian banking industry both locally and internationally in dealing with competition thus creating an awareness of the bank's services offered to the market. Marketing also improves the public image of banks. The study conducted by Ikpefan (2014) shows that marketing can either be a catalyst if effectively used or a lag if ineffectively used. He also stated that banks should build a loyal customer base, deal with competition from other banks in an effective and efficient manner, and ensure that products and services meet the needs of customers with an efficient channel of sales distribution. The study looked at the relationship between the marketing of banks product and the satisfaction of customers. It was concluded that marketing of banks products and services affects the efficiency of a banking system, and satisfaction of customers.

Adebowale (2015) found out that the need for quality services has made customers switch to other banks. He found out that customers are dissatisfied generally due to the inability of banks to ensure customers' focus and response are raised to give them maximum satisfaction. In his findings, he concluded that banks averagely apply marketing practices to gain a competitive advantage. The marketing practices include production concept, product concept, selling concept, marketing concept, societal marketing concept and relationship banking. The result of the findings rated the level of application of marketing practices by banks to be significantly low. He posited that banks need to be more proactive in their approach to providing qualitative services to their customers at highly affordable rates and must be available. Banks should be more strategic and should focus on client relationship, innovative product delivery system that is convenient to consumers and are most cost-efficient. He also posited that a holistic marketing which involves an aggressive marketing approach is to be advocated if customers' satisfaction is to be attained. Although, banks were applying the marketing practices, the results coming from the customers showed that the application requires overhauling and re-engineering if customer satisfaction is to be attained. The study conducted by Abiodun, George, and Afolabi (2014) shows that marketing practices in the Nigerian banking industry have recorded a low-level standard relative to global standard practice. The effects on the overall industry performance in terms of customer satisfaction and customer loyalty has been on the negative.

The study was conducted to examine the changing trends towards embracing marketing philosophy and the extent of banks' performance level in response to changing expectations of customers. Theoretical issues relating to marketing, customer philosophy, financial marketing, customer loyalty, and satisfaction, were explored to establish the key performance variables and the existing relationships amongst them. The result of the study shows that there is a significant relationship between the new trends towards marketing orientation, financial services in the banking industry and performance level. Improved marketing performance and training to enhance service delivery, customer satisfaction and customer loyalty across all banks in the Nigerian financial markets were recommended by the study. The study conducted by Okoye (2001) established that the banking industry should establish a marketing department that is good, adequate and efficient that will see to the satisfaction of customers' needs. The banks should embark on aggressive promotional activities in order that the customers are more informed regularly about the services offered by banks. This will enable the bank to be in a better position in this era of competitive banking. The study conducted by Dwivedi (2007) explained that finance functions are important but not as significant as the marketing functions. The resistance between the marketing and finance functions would be unfavorable to the smooth development and functioning of any business organization. Finance objectives like value maximization to shareholders are integral parts of any strategy adopted by the organization. But this objective

seems to have been lost amongst the flurry of marketing activities focusing on market share. Conscious efforts must be taken to avoid the missing core objective and for sales growth.

The study conducted by Dixit (2004) concludes that for successful marketing and to make it more effective, identify the customer needs by way of designing new products to suit the customers. The staff should be well equipped with the adequate knowledge to fulfill the customer's needs. We should adopt long-term strategies to convert the entire organization into a customer-oriented one. The study conducted by Mahtab and Abdullah (2016) shows that if marketing plans are improved for banking products, banks will be able to gain more clients and this will impact positively on customers' satisfaction, loyalty and the revenue trend of the bank. The study conducted by Lawal (2014) concluded that there is a positive relationship between financial marketing services and the profitability of banks in Nigeria. He also stated that Nigerian Banks appreciate the role of marketing in the achievement of the overall objective of the banks. He concluded that the practice of the marketing concept in the banks required towards customer's satisfaction will, lead to enhanced profitability. Satisfying the customers is yet to be seen in some of the banks as the essence of marketing efforts.

The study conducted by Sani and Animashaun (2015) focused on the examining the impact of marketing of financial products on the Nigerian banking system and to ascertain whether marketing of banks products enhances the success and efficiency in the Nigerian Banking system. It was concluded that the marketing of the bank's products has significantly improved the efficiency of deposit in banks and has enhanced customer satisfaction. The study recommended that all the units of the banks should be involved in the marketing of financial products and they should continue to treat their customer with high esteem. The study postulated that there has been substantial levels of effectiveness of marketing practices in Nigerian Banks and improved efficiency and customer satisfaction. But banks should continue to improve on their marketing strategies and bank management should introduce improved and consistent marketing principles that will enhance their profit objectives.

1.3. Gaps in literature

The study of marketing of deposit money bank services has been researched by scholars locally and internationally. Most studies have focused on banks performance financially in terms of customers' satisfaction without focusing on continuous patronage and loyalty of the clients. Most study focus on how marketing can be used to accelerate deposit money bank performance in terms of its financial position without focusing on its effect on bank performance in terms of customer patronage and loyalty. Performance in the banking sector has been based on the accomplishment of the company's financial targets and profit maximization, rather than on customer-based expectation such as value creation to encourage patronage and loyalty. In an attempt to fill this gap, this study intends to view the impact of marketing in deposit money bank directly on the customer patronage and loyalty and to expand on the already researched study in this area.

2. Methodology

Restatement of research hypotheses

To attain the objectives specified in this study, the following hypotheses were formulated:

- Hypothesis one:

H₀: Marketing of deposit money bank services has not impacted customer's patronage and loyalty;

H₁: Marketing of deposit money bank services has impacted customer's patronage and loyalty.

- Hypothesis two:

H₀: Marketing of deposit money bank services has not improved customer's loyalty and patronage over time through effective communication system and the free flow of information;

H₁: Marketing of deposit money bank services has improved customer's loyalty and patronage over time through effective communication system and the free flow of information.

- Hypothesis three:

H₀: Marketing of deposit money bank's services cannot be enhanced to improve customer patronage and loyalty;

H₁: Marketing of deposit money bank's services can be enhanced to improve customer patronage and loyalty.

Data source

For this study, primary data was used by the researcher to make a thorough analysis of the study problem at hand. The primary data was collected through the use of questionnaire distributed to the respondents selected in the population in the course of the research. Data was generated and results were also generated by processing the data obtained. The questionnaire administered was 115; 23 questionnaires for each bank was given to the customers who currently are account holders of the banks ranging from the ages of (18-23), (24-29), (30-35), (36-41), (41 and above). A questionnaire is a sequence of questions with the main aim of assembling information from the respondent. A questionnaire is, therefore, originated from the statement of the research problem, research objectives, research questions and the stated hypotheses.

Questionnaire design and assumptions

A total of 115 questionnaires was administered and each of the five selected deposit money banks had 23 questionnaires and it comprises of 33 questions in all. The deposit money banks were randomly selected from old and new generation banks. The new generation bank in Nigeria came on board from 1989. The structure of the questionnaire was in three sections. Section A contains the bio-data of the respondents which is retained in confidentiality. Section B is based on how to achieve the objective of the study.

Test for validity and reliability of research instrument

Based on the structure of the questionnaire formed, validation was obtained from the results from the respondents which were originated from the research hypotheses. The research questions are considered valid when it measures the variables for which it was conducted to measure. Reliability is important to access the consistency of the result obtained from the questionnaire. The result from the reliability test is stated in Table 1.

Table 1. Reliability test

Reliability statistics	
Cronbach's Alpha	No. of Items
.920	33

Source: SPSS 23 Analysis, researcher's computation, 2018

In order to validate the reliability of the primary data, the Cronbach's Alpha must be higher than 0.7. According to the reliability statistic tested using SPSS on the questionnaire, the Cronbach's Alpha gives a result of 0.9 which shows that the data is highly reliable as it is above 0.7.

3. Methods of data presentation and analysis

Statistical product and service solution package (SPSS) was the statistical tool used for this analysis. Analysis of data entails formation of categories, applying these categories to raw data through coding, presentation in tabular format and obtaining statistical conclusions. Coding operations was achieved by converting the data obtained to symbols and numbers that may be tabulated and counted. The method of analysis used was the linear regression. It was used to test the significance of the response by the respondents of the deposit money banks stated.

Overview of response rate

Customers of five different banks (GTB, UBA, Eco Bank, First Bank and Skye Bank) were sampled and copies of the questionnaire (a sample of the structured questionnaire is attached at the end of this study as Appendix 1) were administered to them to collect information relevant to the study. A total of one hundred and thirteen (113) completed questionnaire and valid responses were obtained out of the one hundred and fifteen (115), see Table 2.

Table 2. Questionnaire response rate

Questionnaire response rate Description	Number	Percentage (%)
Number of Questionnaire Sent	115	100%
Number of Questionnaire Not Returned	2	1.7391%
Number of Questionnaire Returned	113	98.2608%
Response Rate	113 out of 115	98.2608%

Source: Field Survey, March 2018

3.1. Data presentation and analysis

Hypothesis one

In order to test for the first hypothesis of this study, the researcher made use of linear regression. The first hypothesis is stated below:

H_0 : Marketing of deposit money bank services has not impacted customer's patronage and loyalty

Table 3. Linear regression model summary

Model summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.837 ^a	.701	.698	.46777
a. Predictors: (Constant), marketing of deposit money bank service				

Source: SPSS analysis version 23, March 2018

From the Table 3, the R Square value indicates how much of the total variation in the dependent variables, customer patronage, and loyalty can be explained by the independent variable, marketing of deposit money bank services. The R Square value is .701 which means that the independent variable explains up to 70% of the total variation of the dependent variable which is relatively high as it is above 50%.

Table 3.1. ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	56.828	1	56.828	259.710	.000 ^b
Residual	24.288	111		.219	
Total	81.116	112			

Note: a. Dependent Variable: customer patronage and loyalty; b. Predictors: (Constant), marketing of deposit money bank service; Source: SPSS analysis version 23, March 2018

The ANOVA table is the analysis of variance which helps to show the overall significance of a model and its good fit. In the ANOVA table, to determine the level of significance, the value on the sig. column must be less than 0.05. The table shows a p-value of $0.000 < 0.05$ at F-statistics of 259.710 which indicates that the model is highly significant. Hence we reject the null hypothesis (H_0) Marketing of deposit money bank services has not impacted customer's patronage and loyalty and accept the alternative hypothesis (H_1).

Table 4. Coefficients ^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
Constant	.856	.526		3.394	.018
Independent	.053	.220	.837	16.116	0.000

Source: SPSS analysis version 23, March 2018

The coefficient table is also used to show the level of significance of the model. The table shows a p-value of $0.000 < 0.05$ which indicates that the model is significant. Also, the Beta value under the unstandardized coefficients is significant as it not negative. Hence we reject the null hypothesis (H_0) Marketing of deposit money bank services has not impacted customer's patronage and loyalty and accept the alternative hypothesis (H_1).

Hypothesis two

In other to test for the second hypothesis of this study, the researcher made use of linear regression. The second hypothesis is stated below:

H_0 : Marketing of deposit money bank services has not improved customer's loyalty and patronage over time through effective communication system and the free flow of information.

Table 5. Linear regression model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.724 ^a	.524	.520	.56981

Note: a. Predictors: (Constant), communication system and free flow of information; Source: SPSS analysis version 23, March 2018

The R Square value is .524 which means that the independent variable, communication system and free flow of information explain up to 52% of the total variation of the dependent variable, customer patronage, and loyalty which is moderately high as it is a little above 50%.

Table 5.1. ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	56.828	1	39.645	122.104	.000 ^b
Residual	24.288	111	.325		
Total	81.116	112			

Note: a. Dependent Variable: customer patronage and loyalty; b. Predictors: (Constant), marketing of deposit money bank service; Source: SPSS analysis version 23, March 2018

The ANOVA table shows a p-value of $0.000 < 0.05$ at F-statistics of 122.104. This shows that the model is highly significant. Hence, we reject the null hypothesis (H_0) Marketing of deposit money bank services has not improved customer's loyalty and patronage over time through effective communication system and the free flow of information and accept the alternative hypothesis (H_1). Therefore, marketing of deposit money bank services has improved customer's loyalty and patronage over time through effective communication system and the free flow of information.

Table 6. Coefficients ^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
Constant	.817	.229		2.727	.007
Independent	.794	.072	.724	11.050	.000

Source: SPSS analysis version 23, March 2018

The Table 6 shows the p-value of $0.000 < 0.05$ which indicates that the model is significant. Also, Beta value under the unstandardized coefficients is significant because it is not negative. Hence, we reject the null hypothesis (H_0) Marketing of deposit money bank services has not impacted customer's patronage and loyalty over time through effective communication system and the free flow of information and accept the alternative hypothesis (H_1)

Hypothesis three

In other to test for the third hypothesis of this study, the researcher made use of linear regression. The third hypothesis is stated below:

H_0 : Marketing of deposit money bank's services cannot be enhanced to improve customer's patronage and loyalty.

Table 7. Linear regression model summary

Model summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.651 ^a	.424	.419	.54877

a. Predictors: (Constant), marketing of deposit money bank service

Note: a. Predictors: (Constant), communication system and the free flow of information; Source: SPSS analysis version 23, March 2018

The R Square value is .424 which means that the independent variable explains up to 42% of the total variation of the dependent variable which is moderately low as it is a little below 50%.

Table 7.1 ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	24.590	1	24.590	81.656	.000 ^b
Residual	33.427	111	.301		
Total	58.018	112			

Note: a. Dependent Variable: customer patronage and loyalty; b. Predictors: (Constant), marketing of deposit money bank service; Source: SPSS analysis version 23, March 2018

The ANOVA table shows a p-value of $0.000 < 0.05$ at F-statistics of 81.656. This shows that the model is highly significant. Hence, we reject the null hypothesis marketing of deposit money bank's services cannot be enhanced to improve customer's patronage and loyalty and accept the alternative hypothesis (H_1). Therefore, Marketing of deposit money bank's services can be enhanced to improve customer's patronage and loyalty.

Table 8. Coefficients ^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
Constant	1.393	.318		4.377	.000
Independent	.687	.076	.651	9.036	.000

Note: a. Dependent variable: improvement in customer loyalty and patronage; Source: SPSS analysis version 23, March 2018

The coefficient table shows the p-value of $0.000 < 0.05$ which indicates that the model is significant. Also, the Beta value under the unstandardized coefficients is significant as it is not negative. Hence we reject the null hypothesis (H_0) marketing of deposit money bank's services cannot be enhanced to improve customer's patronage and loyalty and accept the alternative hypothesis (H_1). Therefore, Marketing of deposit money bank's services can be enhanced to improve customer's patronage and loyalty.

4. Findings and recommendations

Findings

This is a summary of all the findings gathered from the analysis of the response after the administration of questionnaires. The findings of this research work are the empirical findings which were originated from the data obtained from the primary data used. The empirical findings of this research are generated as follows:

- From the simple linear regression test undertaken which states that marketing is highly essential to banking operations as it determines the quality of services rendered by the bank. This resulted to the conclusion that marketing of deposit money bank influences customer's patronage and loyalty.
- Marketing of deposit money bank services has improved customer's loyalty and patronage over time through effective communication system and free flow of information. This conclusion is supported by the analysis carried out to test if deposit money bank communication system is effective and banks' staffs are able to interact effectively with customers in terms of providing enough disclosure of bank's activities.
- The simple linear regression test undertaken to analyze if marketing can be further enhanced in deposit money banks to improve customer loyalty and patronage resulted in the conclusion that further enhancements can definitely be made to improve marketing on customer patronage and loyalty. Also, the result is validated in the study by Ikpfean (2014), which postulated that marketing can be better enhanced by adapting to changes in the industry and providing efficient services on a continual basis and also by engaging in staffs training and promotion. It also validated the study by Adebowale (2015), which posited that banks should improve more on their marketing strategies, aggressive marketing, client's relationship and service delivery. Also, banks should boost their product image through effective advertisement so that customers' perception of their products are enhanced. According to Uppal (2010), marketing can be enhanced by increasing customers and this can be achieved by gaining their trust, also marketing is more effective if the deposit money banks are information technology (IT) oriented. He also emphasized the fact that banks should deepen their information flow processes in order to further inform and educate customers on their products.

Recommendations

The study proffers the following recommendations:

- Since the result from the analysis of the first hypothesis shows that marketing has a significant impact on customers' patronage and loyalty, banks should ensure that marketing practices are applied to every aspect of the banks operations and that every department of the bank engages in marketing activities as increase in customers' patronage and loyalty is solely dependent on the application of marketing principles in the banks' daily operations.
- Marketing departments should create effective platforms for communication and the free flow of information that will enable customers to relate with banks' staff and have access to relevant information that will be beneficial to their choice of banks' products and services. These platforms should also enable the customers to offer advises and give recommendations on the improvement of the banks' services in form of an interactive forum. This will

enable the customer and also the bank to have a better understanding of the ways in which developments can be made to these services. Banks' staff should also be oriented on how to interact effectively and take note of every complaint or suggestions by the customer in order to boost the chance of the bank in retaining those customers. Rewards in form of promotion and increase in payment should be awarded to staff that complies with these requirements and that are able to please the customers and enables their satisfaction. Deposit money banks should also apply the right channels of communication that will foster patronage of these products and services.

- Banks' management should improve on their marketing strategies by developing marketing principles that will enable them to acquire more customers and to have a long-term relationship with the existing ones. Banks should also improve on their responsiveness to changing environmental factors in order to develop and maintain their market share and competitive advantage. Banks should be involved in technological advancements as more effective marketing activities will be achieved. Banks should also constantly improve on the quality of their services based on customers' changing wants and needs, competition and also based on the general trends in the external environment. This will help to gain more customers and to retain the existing ones.
- Banks should disclose sufficient information of their activities through public information and other promotional activities so that customers can make right decisions based on their preference of the products at their respective cost in order to reduce the level of complaints in terms of charges that are unknown to the customers.

Conclusion

The following conclusions were drawn based on the summary; marketing has a significant impact on customer patronage and loyalty; marketing through effective communication system and the free flow of information influence customers' patronage and loyalty; marketing can be further enhanced to improve customers' patronage and loyalty.

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