

Survival Strategies of Marketers in the Nigerian Banking Industry

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Abstract

The importance of marketing strategies in the Banking Industries cannot be over emphasized because it is an important aim of banking sector. Due to competition within and outside the country, these has brought about globalization and an improvement in customer awareness, and have made banks to use marketing as an important tool to increase returns, improve the productivity of the Nigerian banking system and also compete effectively.

This study is set out to investigate the survival strategies of marketers in the Nigerian banking industry with specific focus on deposit money banks. The data gathered were analyzed by using frequency and percentages. The hypothesis formulated for the study was tested by the use of the chi-square method to arrive at the research result. Findings revealed that marketing strategy development are important for continuing growth and survival of business organization in this volatile Nigerian marketing environment.

Keywords: Survival; Strategy; Marketing; Deposit; Money bank

Introduction

Marketing strategy is used in all the sectors of the economy, most especially in the banking sector. Marketing strategy has been the backbone of many organization whether as a short term goal or as a long term success [1]. Strategy is very important in any banking industry in Nigeria today because of the nature of marketing environment. Every banking institution must use marketing strategy to develop a competitive advantage.

The essence of marketing strategy in any organization is to help in providing solutions to the problems encountered in the marketing of their services [2].

The advantages in marketing of banking services could be attained when an organization can determine the needs and wants of the customer and directs its marketing effort towards those needs and wants [3].

This research work is designed to examine the role and contribution of strategic marketing to performance in the banking industry.

Literature Review

Marketing has been diligently given definitions and practically every author has its own interpretation of the concept. However, the definition most commonly used as a reference is that of the American Marketing Association (AMA). The current definition of AMA is the following.

Marketing is an organizational function and a set of process for creating, communication and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders.

Hooley et al. [4] in turn, defined marketing as the process of profitably matching organizational capabilities to the requirements of chosen customers.

Kotler [5] defined strategy as “the board principles by which the business units expect to achieve its marketing objectives in a target market. It consists of basic decisions on total marketing expenditure, marketing mix and marketing allocations”.

Thus, marketing strategy is a set of objectives, policies and rules that guide the organizations marketing effort overtime. This involves

response to changing environment and competitive conditions employing all resources of an organizational towards attaining the desired goals in terms of sales, pricing and distribution.

According to Sobowale [6] strategy can be looked into from another angle, which is the deployment of human and financial resources against competitions in the pursuit of goals and objectives determined by the leaders of business enterprises, organization or even a nation.

Charles and Gareth [7] define strategy as a specific pattern of decisions and actions that managers take to achieve an organization’s goal.

Nigeria Financial Review [8] also defined strategy as a proposed action intended to have a far reaching effect on the entity’s ability to achieve its objective [9]. It is a blue print to every organization. Strategy marketing process is thus a managerial process by analyzing market opportunities and choosing marketing position, programs and controls that create and support viable business that serve the company’s purpose and goals [10].

Developing marketing strategy involves a realistic assessment of the weighty of an organization’s strength and weakness against opportunities and risks that exist in the market place [11-13]. There are three activities that a company needs to complete in order to develop a marketing strategy

1. Determine the desired market position
2. Select a growth strategy
3. Choose differentiated, undifferentiated, or concentrated marketing.

In concluding this section, it is worth emphasizing that the concept

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of strategy has a dynamic component; it implies effectiveness and efficiency, but it also implies responsiveness in developing awareness to environmental change and identifying appropriate and effective reaction to that change.

Methodology

This study focuses on two banks as case study. The sample size comprises of one hundred (100) personnel of the case study. A total of one hundred questionnaire were administered out of which eighty (80) were returned. This represents 80% returned rate of administered questionnaires [14].

The researcher utilized both primary and secondary data. The primary source includes the administration of questionnaires and interview with the staff of the selected banks the questionnaires were administered to the personnel of banks that carry out marketing functions [15].

Results and Discussion

This section presents the results of the data analysis.

The table above shows that from the 80 respondents, 55 (68.75%) were male while 25 (31.25%) were female. This is an indication that males dominate the operation of banks in Nigeria. The table also indicates that respondents between the ages of 25-29 years were 40 (50%) while those between the ages of 30 – 50 were 40 (50%). This is an indication that their information is reliable and dependable (Table 1).

More also, 18 (22.505) of the respondents are single while 62 (77.50%) are married. As revealed from the table, 40(50%) of the respondents have spent between 1 to 5 years in the bank while 25 (32.25%) have spent between 10-20 years; only 15 (18.75%) of the respondents spent 10 years and above.

As regards how banks increase profit as well as sustain growth through marketing about 53 (66.25%) strongly agreed, 24 (30%) agreed, 3 (3.75%) of the respondents were undecided and none of the respondents strongly disagreed.

With respect to of management develop different product for marketing plans for different segments of the market, about 48 (60%) of the respondents strongly agreed, 25 (31.25%) agreed, 5 (6.25%) of the respondents were undecided and 2 (2.5%) disagreed, none of the respondents strongly disagreed. This shows that management develop different product for marketing plans using different segment of the market.

The table also shows that 30 (37.5%) of the respondents strongly agreed that pro-active marketing is far better than reactive marketing 25 (31.25%) agreed, 20 (25%) of the respondents were undecided, 3 (3.75%) disagreed while 2 (2.5%) strongly disagreed.

Testing of the Hypothesis

H₀: Reactive marketing is far better than pro-active marketing

H₁: Proactive marketing is far better than reactive marketing

Section A			
Personal data		Number	Percentage (%)
Sex	Male	55	68.75
	Female	25	31.25
Age	25-29 years	40	50
	30-49 years	24	30
	50 years above	16	20
Marital Status	Single	18	22.5
	Married	62	77.5
Length of service	1-5 years	40	50
	10-20 years	25	32.25
	21 years above	15	18.75
Section B			
Banks increase profit as well as sustain growth through marketing	Response variable	Frequency	Percentage
	Strongly agreed	53	66.25
	Agreed	24	30
	Undecided	3	3.75
	Disagreed	-	-
	Strongly disagreed	-	-
	Total	80	100
Does management develop different product and marketing plans for different segments of the market	Response variable	Frequency	Percentage (%)
	Strongly agreed	48	60
	Agreed	25	31.25
	Undecided	5	6.25
	Disagreed	2	2.25
	Strongly disagreed	-	-
	Total	80	100
Pro-active marketing is far better than reaction marketing in a dynamic banking environment	Response variable	Frequency	Percentage (%)
	Strongly agreed	30	37.5
	Agreed	25	31.25
	Undecided	20	25
	Disagreed	3	3.75
	Strongly disagreed	2	2.5
	Total	80	100

Source: Field survey 2018.

Table 1: Distribution of responses on personal data of respondents.

Using the contingency chi-square test, we therefore reject the null hypothesis since $X^2_c > X^2_{\alpha}$ 0.05 i.e., $64.87 > 9.488$ and accept the alternative hypothesis (H_1) at 0.95 level of significance.

X^2_c = computed value and X^2_{α} 0.05-table value.

The policy implication of this decision is that pro-active marketing is far better than reactive marketing in the banking industry. Henceforth, the continuing existence and survival of these banks in the face of completion is based on the different kinds of marketing strategies being used by them.

Conclusion

In this area of an ever changing and competitive global economic environment, especially now at the current economic approach of the government is moving towards openness and enthronement of a market based economic system and with globalization being the major force that enhances growth and development, Nigeria banks cannot afford to be left behind. The researcher strongly advocates that banks should continuously review, redesign, refocus and re-engineer their core business process on a period basis to ensure that they are competitively relevant in the global market.

This is why this study undertakes the detail out the processes, methods and gains of adopting survival strategies and restructuring and its roles in baking sector.

It is my belief that with a good implementation of the approaches and recommendation here in the issues of distress; inefficiency and its associated problems will be a thing of the past.

Nigeria banks will be the rank of global banks rating while playing their lending role in resource mobilization, ushering in an era of effective payment system and providing the necessary impetus for economic growth.

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