ASSESSMENT OF THE DELIGHT FACTORS THAT DETERMINE CUSTOMERS'BANKING HABIT: A STUDY OF FIRST BANK NIGERIA PLC, BIDA BRANCH, NIGER STATE

*BELLO, BABATUNDE SIKIRU; **MAKINDE, KEHINDE A; ***OZIMEDE, ELIZABETH IRAGBESON; *NWOKENKWO, BEN OLUBUNMI; *ABDULLAHI, IBRAHIM

*Department of Marketing, Federal Polytechnic, Bida
**Department of Banking & Finance, Federal Polytechnic, Bida
***Department of Business Administration & Management, Federal Polytechnic, Bida

ABSTRACT

This work assesses the delight factors that determine customers' banking habits using First Bank Nigeria Plc, Bida as a study. The study is predicated on an assessment of the literature presented in different studies which revealed that studies conducted on delight factors determining customer's banking habit examined a variety of attributes as determinants of the banking habit process and discovered a variance in the nature and importance of these attributes. The work aims to identify the major delight factor(s) that determine customers' banking habit as well determine the criteria that customers consider as important when selecting a bank and how those criteria are prioritized according to their importance. The study, which adopts descriptive research design, employed both primary and secondary data. Primary data were sourced with structured questionnaires administered to the sampled population of both the staff of First Bank, Bida and their customers using random sampling technique. The secondary data used emanated from journals, textbooks and other relevant publications, the data was analyzed using descriptive statistics and presented in a simple pie chart. Related literatures were reviewed and authors were duly cited. From the findings, it was discovered that there is significant relationship between delight factors and customers' banking habit. The study concludes that one of the basic factors that influence customers' favourable banking habit lies in banks having good and attractive products and services that can appeal to customers' attention and meet their financial requirements. It was also concluded that in forming a banking habit, customers consider the proximity of bank to their homes and/or workplaces. Thus, the study recommends among others that Banks should develop robust and customer-friendly products and services such as low

interest rate on loan, reasonable payback period, attractive interest for savings account and others that can attract customers to patronize them. Banks should also concentrate more on increasing the efficiency of completing banking transactions.

Keywords: Assessment; Delight Factors; Determine; Customers; Banking Habit

Introduction

The banking industry has been characterized by increasing competition since the early 1980s (Abubakar, 2015).

This has been the result of a number of interrelated factors such as competition and deregulation that have revolutionized the distribution of many financial services. In other words, an increased competition resulting from a decade of deregulation of the financial services industry has meant that banks find themselves faced with the task of differentiating their organizations and their offerings as a means of attracting customers .(Agboola, 2016).

The progress towards globalization has commenced many changes in the economic and business environment all over the world. Bida community is no exclusion to these changes and almost all industries including the banking sector, in one way or the other are being affected by this development. In consequences of this, banking sector in Nigeria is becoming increasingly more vigorous. Deposit money banks like banks operating in the other developing and developed countries are putting more emphasis on providing more facilities and services to their customers (Agwu and Murray, 2015).

In current years, institutions strategy and marketing research have focused on the identification, creation, and delivery of services based on the preference of their customers. The customer significance concept has become one of the most popular approaches among business managers and marketing researchers. Delivery of customer preference (CP) is considered the fundamental basis of marketing activities, especially in the banking industry, and an effective source of competitive advantage in promoting profit growth and ensuring long-term success (Hamel and Prahalad, 2017).

With growing competitiveness in the banking industry and similarity of services offered by banks, it has become increasingly important that banks identify the factors that determine the basis upon which customers choose between providers of financial services (Meir, O'Toole, Boyne and Walker, 2016).

STATEMENT OF THE PROBLEM

A number of studies have been undertaken to analyze the delight factors that determine customer's banking habit. Among these studies include Meir et al (2016)

who examined the determinants of bank selection criterion in Ghana.Although such studies have contributed substantially to the literature on bank selection, their findings may not be applicable to other countries like Nigeria, due to differences in cultural, economic and legal environments.

An assessment of the literature presented in different studies revealed that studies conducted on delight factors determining customer's banking habit examined a variety of attributes as determinants of the banking habit process and discovered a variance in the nature and importance of these attributes

In this attempt, understanding the real interest of actual and potential customers has a profound contribution to competitive advantage up on the rivals. To the best of the researcher's knowledge, there exists no previous research work in Nigeria concerning delight factors determining customers banking habits

Therefore, this study is particularly intended to assess the determinants of customers' banking habit in Bida. Such a study is hopefully expected to fill the gap in knowledge by scrutinizing the delight factors determining customers banking habits in Bida, Niger state.

RSEARCH OBJECTIVES

The objectives of this study are:
  i. To identify the major delight factor(s) that determine customers' banking habit
  ii. To determine the criteria that customers consider as important when selecting a bank and how those criteria are prioritized according to their importance.

RESEARCH HYPOTHESES

The following tentative statements will therefore be tested to find out their validity:

H_1: There is significant relationship between delight factors and customers' banking habit

H_2: There is no criterion that customers consider important in selecting their choice of a bank.

LITERATURE REVIEW

The rational choice theory provides useful insights on the choice or selection behavior of individual customer, while the competition theory explains how firms try to win customers patronage and loyalty through service excellence, meeting customers' needs and providing innovative products.

Competition occurs when two or more organizations act independently to supply their products to the same group of consumers. Direct competition exists where

organizations produce similar products that appeal to the same group of consumers. Indirect competition exists when different firms make or sell items which although not in head to head competition still compete for the same money in the customers pocket. Both direct and indirect competitions cause commercial firms to develop new products, services and technologies, which would give consumers greater selection and better products. Thus, the competitive strategy of firms is dependent upon consumers' choice characteristics which tend to influence firms productive decision towards the satisfaction of consumers preferences.

According to Kaynak and Kucukemiroglu (1992) and Hull (2002), the banking industry is highly competitive, with banks not only competing among each other, but also with non-banks and other financial institutions. The reason being that most bank products development are easy to duplicate and when banks provide identical services, they can only distinguish themselves on the basis of price and quality. Consequently, customers' retention is potentially an effective tool that banks can use to gain a strategic advantage and survive in today's ever-increasing banking competitive environment.

The concept of Consumer Motive

According to Bray (2016), consumer has a motive for purchasing a particular product. Motive is a strong feeling, urge, instinct, desire or emotion that makes the buyer to make a decision to buy. Buying motives thus are defined as those influences or considerations which provide the impulse to buy, induce action or determine choice in the purchase of goods or service. These motives are generally controlled by economic, social, psychological influences etc.

Brand Loyalty

Brand loyalty is defined as positive feelings towards a brand and dedication to purchase the same product or service repeatedly now and in the future from the same brand, regardless of a competitor's actions or changes in the environment (Kotler, 2018). The consumer has the perception that the particular brand has the qualities that will meet their expectations and identifies with the consumer at a personal level. Brand loyalty, in marketing, consists of a consumer's commitment to repurchase or continue to use the brand. It can be demonstrated by repeated buying of a product, service, or other positive behaviours such as word of mouth advocacy. It can also be demonstrated with other behaviours such as positive word-of-mouth advocacy. Corporate Brand loyalty is where an individual buys products from the same manufacturer repeatedly and without wavering rather than from other

suppliers. Loyalty implies dedication and should not be confused with habit with its less than emotional engagement and commitment.

This buying decision can be either conscious or unconscious; however, it is based upon trust that the brand fulfils the consumers. Brand loyalty is based upon emotional involvement which is created between the brand and the consumer. It is perceived by the customer that the brand will fulfill some type of emotional want or physical need in a unique way and which evokes emotions during the process of purchasing and using it (Kotler, 2018).

The Process of Building Brand Loyalty

In the view of Schiffman and Kanuk (2018), the following are the steps to take to begin building brand loyalty:

Step 1: Focus on your best customers - Build your business around your best customers - what we call Brand Lovers - instead of trying to aimlessly drive sales. Over time, your return on marketing and innovation efforts will rise.

Step 2: Listen to what your customers are saying - Listen to what your best customers are telling you. Don't be a transaction-making machine. Be a real person and build a business to serve real people. Care about them and they might just care about you. This is the key to cultivating brand loyalty.

Step 3: Understand what makes your customers tick - Learn how they think, feel, and behave towards your brand if you want to build brand loyalty. This isn't easy, but if you can decode these drivers, you'll be better positioned to create long-term customers. Talk to your customers. Read their comments about you and your products on the web. Read blog posts related to your brand. Most of all, truly listen to what your customers are saying.

Step 4: Determine why your customers choose you - Why are your current customers buying from you instead of your competitors? Knowing the answer to this question can define the future of your business and the level of brand loyalty you cultivate. Understanding what drives your customer's choices isn't easy because you need to decode the motivators influencing your customers' buying decisions. And that's no easy task, but it is well worth the effort.

Step 5: Be relentless in serving your best customers better than anyone else - Give your loyal customers plenty of reasons to stay with you and no reasons to leave. Push your business to continually find ways to make your customers' lives easier and better.

Step 6: Find ways to wow and surprise your best customers - Do something extraordinary and unexpected for your loyal customers. Instead of playing with "word-of-mouth marketing" programs, focus on better serving your customers and

word of mouth will happen naturally. Simply put: give your customers something worth talking about.

Step 7: Focus on what your brand does best - If you try to be all things to all people, you'll end up being nothing to everyone. Be bold. Be unique. Differentiate your brand around your strengths.

Step 8: Deliver on your brand's promise - First, determine what your brand stands for. Then, become relentless in your dedication to deliver on your brand promise each and every day.

The concern of factors that determine costumer's banking habit has been given considerable attention by researchers. Exploring such information will assist banks to recognize the appropriate marketing strategies needed to attract new customers and retain existing ones. With growing competitiveness in the banking industry and similarity of services offered by banks, Chris (2015) elaborated on the important that banks identify the factors that determine the basis of customers banking habit between providers of financial services. Laurel (2015) opined on factors affecting customers' banking habit in USA. He found that: friends' recommendations, reputation of the bank, availability of credit, friendliness of staff and service charges on accounts are the most delight factors in selecting banks. Meir et al (2016) findings were later maintained by Bapat (2016) and Hooman (2012) who confirmed convenience as important in the choice of banks. Laurel (2015) findings have however been supported by Olubisi (2015) who conclude that recommendation by parents and friends, i.e. peers, was the most important factors. Service giving organizations know that one customer's ideal treatment can be quite different from that of another customer. You may think the ideal treatment is a vigorous internet banking, while your best friend dreams of a typical fast customer service and your father is set on having a friendliness of the staff in the organization. Some of these differences are due to the way in which customers internalise information about the outside world such as perception, exposure, attention and interpretation (Bapat, 2016).

BANK SELECTION CRITERIA

Financial industries, especially banks, are becoming highly competitive day by day due to product differentiation, easiness of service availability, culture based products offering and technology used in service delivery. Customers are selecting banks considering various features of the service proposition. Thus, to attract customers, banks are facing challenges more than ever. But to attract customers it is crucial to know what selection criteria customers are adopting in selecting banks. Such

selection criteria of the customers open an area of research on bank selection criteria of customers.

Various empirical research using different methodologies and approaches have been conducted in various parts of the world to investigate the bank selection criteria of the customers (Bray, 2016).

METHODOLOGY

This study covers banking activities in Bida, Niger state for the purpose of accessibility, distance and data availability. The study adopts descriptive research design and it employed both primary and secondary data. The population of this study comprised both the staff and customers of First Bank, Bida; Primary data were sourced with structured questionnaires administered to the estimated sample of 85using descriptive (frequency and percentage) and inferential (Regression and ANOVA) statistics. Of this figure, 19 are staff of First Bank, Bida while the remaining 66 of the sample drawn consist of their customers using random sampling technique. The secondary data used emanated from journals, textbooks and relevant publications, the entire staff of the bank were considered for the sample since they are a manageable size.

TEST OF HYPOTHESES

Test of Hypothesis One

H₁: There is significant relationship between delight factors and customers' banking habit.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.637[a]	.206	.373	.68438

a. Predictors: (Constant), Bank Credit

Model summary above showed R^2 value of 0.206 indicating that 20.6% variation in customer habit formation. Though not close to 1, but the model still proved to be fairly valid to predict an outcome. The ANOVA table below explains more.

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	5.769	1	5.769	12.318	.003[b]
	Residual	8.431	18	.468		
	Total	14.200	19			

a. Dependent: Customers' banking habit

b. Predictors: (Constant), Delight factors

- This test was conducted at 95% (0.005) confident level.
- Rejection Region: Reject the null hypothesis if p-value is less than 0.05 and if otherwise accept.

From the ANOVA table above, we have F statistics at 12.318 and P-value (Sig) at 0.003. We can at this point see that P-value (Sig) of 0.003 is lesser than 0.005and hence the relationship is statistically valid. Therefore, there exist enough evidence to conclude that there is significant relationship between delight factors and customers' banking habit

Test of Hypothesis Two:

H₂: There is no criterion that customers consider as being important in selecting their choice of a bank.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.517ᵃ	.268	.227	2.10534

a. Predictors: (Constant), Determining criteria

Model summary above showed R^2 value of 0.268 indicating that 26.8% variation in customer habit formation. Though not close to 1, but the model still proved to be fairly valid to predict an outcome. The ANOVA table below

ANOVAᵃ						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	29.166	1	29.166	6.580	.019ᵇ
	Residual	79.784	18	4.432		
	Total	108.950	19			

a. Dependent Variable: Selecting the choice of a bank

b. Predictors: (Constant), Determining criteria

The ANOVA table, which showed the statistical significance of the regression model that was run to obtain a $p < 0.019$, which is less than 0.05, and indicates that, overall, the regression model statistically significantly predicts the outcome variable (i.e., it is a good fit for the data). Therefore, we can conclude that an alternative hypothesis be accepted that there is criteria that customers consider as being important in selecting their choice of a bank.

FINDINGS

From the findings, the study discovered that there is significant relationship between delight factors and customers' banking habit

The research further revealed that there is a criterion that customers consider as being important in selecting their choice of a bank.

CONCLUSION

Following the findings stated above, the researchers therefore conclude that one of the basic factors that influence customers' favourable banking habit lies in banks having good and attractive products and services that can appeal to customers' attention and meet their financial requirements.

It is also concluded that respondents consider bank proximity to their homes/workplaces as a delight factor in forming a banking habit.

RECOMMENDATIONS

i. Banks should develop robust and customer-friendly products and services such as low interest rate on loan, reasonable payback period, attractive interest for savings account and others that can attract customers to patronize them.

ii. Banks should also concentrate more on increasing the efficiency of completing banking transactions.

iii. The management of First bank and other deposit money banks should examine its strengths and opportunities and take a competitive position in the competitive marketplace.

iv. A well-integrated application of technology and staff through operations that respond to customer needs should be encouraging customers to use a whole range of banking services rather than just a few. It also helps to build customers banking habit by creating deeper and fuller customer relationships.

REFERENCES

Abubakar, A. (2015). The effects of growth of deposit money banks in Nigeria. *Europ. J. Bus. Manag.*6 (33), 79 – 89. Adoption'', *Academy of Marketing Studies Journal*, 14(1), 2-11

Agboola, A. A. (2016). Payment system and tele-banking services in Nigeria .*J. Interne Banking Comm.*11 (3), 1-10.

Agwu, M. E. & Murray, P. J. (2015). Banking habit: Commerce adoption among SMEs   in Nigeria; Journal of Emerging Trends in Computing and Information   Sciences, Vol. 5, No.3 March 2014 ISSN 2079-8407, pp. 192-199 Available   at: http://www.cisjournal.org/

Bapat, D. (2016). Marketing of Financial services. Biztantra Publishers. New Delhi, India.

Chris, F. (2015). Marketing communication (5th ed). Rotolito Lombarada, Italy.

Hooman, E. (2012). Marketing Financial Services. 2nd edition. Dog publishing, LLC,

Hull, L. (2002), Foreign-Owned Banks: Implications for New Zealand's Financial Stability. Discussion Paper Series, DP2002/05

Kaynak, E. and Kucukemiroglu, O. (1992), "Bank and Product Selection: Hong Kong", *International Journal of Bank Marketing*, vol.10, no.1.pp.3-17

Kotler, P. and Armstrong, G. (2018). Principles of Marketing (16thed). European Publisher, Prentice – Hall London.

Laurel, R. (2015). Marketing concept and application. Service driven company, New York McGraw – Hills

Meir, B., E. O'Toole, E. Boyne and F. Walker,(2016). Strategic Management An integrated Approach, 7th ed., Houghton Mifflin Company, Boson:NewYork.NBC Annual journal, (2018).

Olubisi, F. O. (2015). History and evolution of banking in Nigeria. *Academ Arena* 2015; 7(1):9-14]. (ISSN1553-992X). http://www.sciencepub.net/academia.