EFFECT OF STRATEGIC MARKETING OF FINANCIAL SERVICES ON ORGANIZATION PERFORMANCE.

Lawal Babatunde Akeem MBA, BSc

Department of Accounting, Banking & Finance Osun State University, Osogbo

ABSTRACT: *This study focuses on the effect of strategic marketing of financial services on organization performance. The primary purpose of this study is to focus on the relationship between marketing strategies and banks performance. The research design adopted for this study was survey research design in which a sample was selected at random amongst the population of the study and used as respondents for the study. Questionnaires were used as an instrument of primary data collection. Stratified random sampling was used to select the sample. Simple percentages and frequency distributions together with Spearman's rank correlation coefficient were used to analyze the data. The result of this study reveals that there is a significant positive relationship between the financial marketing services and profitability of First Bank of Nigeria Plc. Therefore, it is recommended that Banks should remove the communication gap that currently exists between the banks and their customers as most customers are not aware of the services rendered by their banks. Information can be provided through brochures, pamphlets, circular, adverts etc. The banks should devise ways of making it easy for customers to obtain information from banks.*

KEYWORDS*:* Strategic, Organization, Profitability, Financial Services, Marketing, Performance.

INTRODUCTION

A market-focused organization first determines the potential customer's desire, and then builds the services. Marketing theory 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. Two major factors of marketing are the recruitment of new customers (acquisition) and the retention and expansion of relationships with existing customers (base management. For marketing plan to be successful, the mix of the four "Ps" must reflect the wants and desires of the consumers in the target market. Trying to convince a market segment to buy something they do not want is extremely expensive and seldom unsuccessful. Marketers depend on insights from marketing research, both formal and informal, to determine what consumers want and what they are willing to pay for. Marketers hope that these processes will give them a sustainable competitive advantage. The study of Akinyele (2011) for the oil and gas sector in Nigeria suggest that strategic marketing is a driver of organizational positioning in a dynamic environment, and that it helps to enhance the development of new product/service for existing markets.

Banks offer a wide range of financial services, to personal and business customers; some of these services which are bank account, guarantorship, and investment adviser are needed by an appreciable number of customers, but many other financial services such as import/export services, money transfers, credit cards and so on have to be brought to the attention of potential users, who then must be persuaded to use them. Banking has ceased to be an entirely arm-chair profession, because it is only those banks that can effectively monitor the environment and adequately satisfy the customers with their operational module that can

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survive. The primary forces that had significantly changed the environment of banking are political and economic power as well as the dynamic impact that technology has had on the banking industry. Many services offered by banks are also offered by 'rival' organizations.

Building societies have developed customer accounts which are similar in many ways to a bank account. Thrift and cooperative societies provide lending services to their numerous members and indirectly to the society at large. Solicitors act as executors, and trustees and accountants give advice and so on. Banks not only compete with each other but also have to contend with challenges from other types of organization in the market. To do this successfully, bankers need an understanding of the process of marketing which will aid in improving banks performance. Marketing is an area of activity infamous for re-inventing itself and its vocabulary according to the times and the culture.

Bank services have started as far as 1892 when the First Bank was called Standard Bank of Nigeria Limited. Since the marketing of financial services has been group simultaneously in the banking industry through a narrow way. The emergence of numerous new banks and their financial institutions bring the awareness to the banks, the need to market their services extensively. Most of the business leaders thought that gaining an advantage against their competitors is enough to declare themselves as the successful organization. While other believes that they can be successful if they keep the trust and loyalty of the consumers. But without second thoughts, competitive advantage or their influence in the market are achieved is only the effects of their application of various strategies such as technological support, strong investments, organizational culture and practice, the efficiency of the suppliers, and the use of appropriate marketing strategy. All of these factors contribute in the organization's performance.

The major problem in the Nigeria banking industry is that bank services are still lacking in so many spheres in Nigeria, yet the banks perception of marketing has not shifted from mere advertising until recently as a result of stiff competition brought about by reforms. Banks fail to focus on marketing research and new product development that could attract the unbanked thereby leading to inadequate exploitation of its benefits as well as not giving appropriate value to the banking public.

The marketing of financial services is a unique and highly specialized branch of marketing. The practice of advertising, promoting, and selling financial products and services is in many ways far more complex than the selling of consumer packaged goods, automobiles, electronics, or other forms of goods or services. The environment in which financial services are marketed is becoming more competitive, making the task of marketing financial services increasingly challenging and specialized. Financial services marketers are challenged every day by the unique characteristics of the products they market. For example, often financial services cannot be visually communicated in advertisements as easily as consumer goods can. Furthermore, the relatively unexciting nature of financial services makes the task of attracting consumer attention and inspiring consumer desire a difficult one. However, the study of financial services marketing is in many ways far more fascinating than other areas of marketing. There are many predictable behaviors that consumers often exhibit in their dealings with financial services providers. The predictability of these behaviors and the abundance of data on existing and potential customers enable a uniquely scientific approach to developing and executing successful strategies for the marketing of financial services, much more so than in other markets.

Thus, the objectives of this paper are to:

1. Focus on the relationship between marketing strategies and banks performance.
2. Ascertain the effect of marketing of financial services on First Bank Nigeria Plc.
3. Identify the problems facing marketing of banking services with the aim of providing solutions.

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4. To examine the marketing strategies of banks with the view to establishing its effectiveness and efficiency of how the banks is marketing their services in terms of types and qualities.
5. To highlight banking financial service provided in relation to its performance.
6. To identify technological facilities in relation to effective marketing of financial service.

The above objectives are guided by the following questions:

1. What is the basic function of marketing strategy?
2. What are the marketing techniques being applied by first bank of Nigeria Plc.?
3. What are the possible effects of the marketing within the First Bank of Nigeria Plc and in the market?
4. What is the difference between marketing of financial services and marketing of the consumer goods?
5. What are the types of services rendered by First Bank of Nigeria Plc?
6.

Strategic marketing of financial services therefore is the strategy use in the creation and delivery of financial services that will satisfy the needs of customers at a profit or break even to the bank. As a market leader in the financial services sector, First Bank pioneered initiatives in international money transfer and electronic banking in the country, and is arguably Nigeria's most diversified financial services group, serving more than 42 million customers

The Bank's growth strategy is hinged on its continued network expansion, product development, mergers and acquisitions, growth of its international footprint, advertisement, establishment of new branches and distribution of gifts to customers are now being use by bank. However, the introduction of the new, prompt services and the use of public relations have not been effectively applied. Most Nigerians are not aware of the essential services being provided by banks. Due to this, a substantial amount of money is outside the banking sector. A significant proportion of Nigeria's money supplied varied between 49% and 60% in recent time due to patronizing of local money lenders (Ajayi Ibi, 1987). This patronage could be due to easy accessibility collateral base on personal knowledge, prompt and twenty-four hours services being provided by the informal capital market which is expected from banks through increased mobilization of saying, effective and efficient channelling of funds to develop the economy.

LITERATURE REVIEW

Overview of Marketing Strategies

Marketing strategies and tactics are concerned with taking decisions on a number of variables to influence mutually-satisfying exchange transactions and relationships. Typically, marketers have a number of tools they can use, these include mega marketing (Kotler, 1996) and the so-called 4Ps of marketing (McCarthy, 1995), among others. Marketing seems easy to describe, but extremely difficult to practice (Kotler and Connor, 1997). Organizational manager in many firms have applied the so-called marketing concept, which may be simple or complex. The marketing concept and variants like the total quality management concept for example, are essentially concerned with satisfying clients' needs and wants beneficially.

Developing and implementing efficient and effective marketing strategies which incorporate relevant dimensions of the marketing concept involve the organic tasks of selecting a target market (customers/clients) in which to operate and developing an efficient and effective marketing ingredient combination. Marketing thought, with its practice, has been moving speedily into the service industry (Kotler and Connor, 1997). Literature, partly, centres on the discussion of whether physical product marketing is similar to, or different from, the marketing of service and concludes that the differences between physical product and service might be a matter of emphasis rather than of nature or kind (Creveling, 1995). Marketing is one of the salient and important organic functions which help to service organizations to meet their business challenges and achieve set goals and objectives (Kotler and Connor 1997).The word "service" is used to describe an organization or industry that "does something" for someone, and does not

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"make something" for someone (Silvestro and Johnston, 1990). "Service" is used for companies or firms that meet the needs and want of society such organizations are essentially bureaucratic (Johns 1990; Osuagwu, 1999). "Service" may also be described as intangible its outcome being perceived as an activity rather than as a tangible offering. Services include a wide range of activities and form some of the growing sectors of the economies of developed and developing countries. Services include professional services (legal, accounting, medical, management consulting, etc), general services (insurance, postal, telephone, transportation, internet, tourism, etc), maintenance and repair services, and services from marketing researchers and product manufacturers, among others. Oil and gas service is not a tangible thing like food, clothing and car. The main factor that affects a person's demand for oil and gas service is that person's attitude towards risks.

Therefore, the function of marketing strategy is to determine the nature, strength, direction, and interaction between the marketing mix- elements and the environmental factors in a particular situation (Jain and Punj 1997). According to (McDonald, 1992), the aim of the development of an organization's marketing strategy development is to establish, build, defend and maintain its competitive advantage. Managerial judgment is important in coping with environmental ambiguity and uncertainty in strategic marketing (Brownie and Spender, 1995). Marketing strategy development has the following peculiarities:

1) It requires managerial experience, intuition and judgment
2) It is business sphere knowledge- intensive
3) It is a process which usually involves subtle decision making by organizational managers based on exhaustive examination of relevant environments and a synthesis of essential and useful pieces of information
4) It is specifically concerned with devising an approach by which an organization can effectively differentiate itself from other competitors by emphasizing and capitalizing on its unique strengths in order to offer better customer/client value over a long period of time. However, it is difficult for an organization to achieve an efficient and effective marketing strategy (Li et al., 2000). As a result of the ambiguity and instability of environmental factors, strategic marketing may be a difficult task for organizational strategists.

Definition of Strategic Marketing

The early strategic marketing - performance studies date from the time of rapid expansion of formal strategic marketing in the 1960s (Henry, 1999; Paley, 2004)).Although same studies employed diverse methodologies and measures, they shared a common interest in exploring the financial performance consequences of the basic tools, techniques, and activities of formal strategic marketing i.e. systematic intelligence- gathering, market research, SWOT analysis, portfolio analysis, mathematical and computer model of formal planning meetings and written long- range plans. According to Allison and Kaye (2005), strategic marketing is making choices. It is a process designed to support leaders in being intentional about their goals and methods. Bryson (2004; Anderson 2004) observes that strategic marketing is a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it, with a focus on the future. Woodward (2004) argues that strategic marketing is a process by which one can envision the future and develop the necessary procedures and operations to influence and achieve the future.

Strategic marketing, according to (Ulrich and Barnet, 1984; Ansoff, 1988; Berry, 1997; Gup and Whitehead 2000; Bradford and Duncan, 2000), is the process of determining

(i) what your organization intends to accomplish and
(ii) how you will direct the organization

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Journal of Emerging Trends in Economics and Management Sciences and its resources towards attaining the goals set over the coming months and years. In other words, strategic marketing is a tool for finding the best future for your organization and the best path to reach the desired destination. Higgins and Vincze (1993); Mintzberg (1994); Pearce and Robinson (1994) are of the opinion that strategic marketing can be defined as the process of using systematic criteria and rigorous investigation to formulate, implement, and control strategy, and formally document organizational expectations. Kudler (1996), views strategic marketing as the systematic process of determining the firm's goals and objectives for at leastthree years into the future and developing the strategies that will guide the acquisition and use of resources to achieve the set objectives.. Hunsaker (2001) observes that strategic plans apply to the entire organization. Strategic marketing on the other hand does not necessarily expect an improved future or extrapolatable past. (Hinterhuber 1992; Steiner, 1997; Ginsberg, 1997; Wing, 1997; Paley, 2004), argued that a manager is not necessarily a strategist and that a manager's vision is also not an entrepreneurial vision. Realizing however that strategic marketing process does not specify how plans should be translated into action, the issue of strategic marketing implementation led to the evolution of strategic marketing management.

Pricing As a Tool for Marketing of Financial Services

Pricing is one of the most important decisions in the marketing of financial services.

Price serves multiple roles for the financial services organization as well as for the individuals who use those services. To the financial services organization, price represents the sole source of revenues. Most activities that an organization undertakes represent costs and an outflow of funds. When advertising, for example, one has to spend money purchasing advertising space in a newspaper or media time on radio or TV. When employing staff in a sales department salaries and benefits need to be paid. All of these activities represent an outflow of funds, and the only way to recover these expenditures is through revenues obtained by charging prices for the financial services provided. It is critical not only to appreciate the importance of price, but also to be certain that one's prices are at optimal levels. Pricing too low or too high can have detrimental effects on profitability of financial services organizations.

In addition, price is the most visible component of the marketing strategy of a financial services organization. Unlike advertising style, product strategy, or sales force incentives, which might be difficult to quantify precisely, price is always presented numerically, and can be observed and compared by consumers, regulators, and competitors. Therefore, a second function of price is to communicate to the marketplace the identity, market positioning, and intentions of a financial services organization. Lowering of prices or an upward movement of premiums might signal a shift in marketing strategy to competitors and may provoke reactions from them. This fact raises the strategic importance of price and highlights the great impact that price has been found to have in shifting the balance of power among competing financial services providers.

A third function of price is to serve as a signal of quality to customers. As mentioned in earlier chapter, the quality of a financial service may be highly elusive and vague. Determining whether one insurance policy is better than another or if an investment advisor will provide recommendations that generate high returns on one's investment portfolio is difficult if not impossible for many. It has been well established in consumer research that in such situations where quality is not clearly evident, consumers tend to rely on price as a proxy for quality. They might therefore assume that higher-priced financial services are of better quality, and the lowering of prices may not necessarily be associated with more positive consumer impressions of the financial service.

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Challenges in Pricing Financial Services
Financial services prices are unique in several ways. The unique aspects of price in financial services are important to recognize when developing marketing strategies and analyzing consumers' decision dynamics. Some of these unique aspects are listed below:

Financial Services Prices are often Multi-Dimensional: One of the most notable characteristics of financial services prices is that they are complex and often consist of multiple numeric attributes. For example, an automobile lease is often communicated in terms of the combination of a monthly payment, number of payments, a down payment, the final balloon payment, wear-and-tear penalties, and mileage charges for driving over the allowed number of miles. Therefore, unlike the sticker price for the cash purchase of a car, which is a single number, the lease price consists of many different numbers.
Elusive Measures of Quality: A second challenge in the pricing of financial services is the elusive and intangible nature of the quality of a financial service. In contrast to manufactured goods, which can be scientifically tested in laboratories and are often rated by well-established third party organizations such as Consumer Reports, J.D.Power and Associates, and the Insurance Institute for Highway Safety, the quality of financial services is far more difficult to determine. Objective levels of service quality as determined for example by the likelihood that a mutual fund will have good returns, the transaction processing accuracy and efficiency of a commercial bank, and the ability of a tax accountant to secure the highest possible tax returns, are difficult to assess. The fact that these measures of quality are difficult if not impossible to quantify often forces consumers to examine other pieces of information, in particular price, as an indicator of service quality. Therefore, while a high price may discourage some consumers from purchasing a financial service, it may also serve as a positive signal for others and may increase their desire to use the service.

Economic Forces: The pricing of financial services is further complicated by the fact that the attractiveness of a financial service may be affected by the general economic environment. For example, in order to appreciate the value of an investment option a consumer must compare the expected rate of return with the rates of return experienced in the financial markets. A change in the prime rate, Treasury rates might make an investment option look more or less attractive to the consumer. As a result, financial services providers need to take relevant economic indicators such as interest rates and stock market returns into account when setting prices for specific financial products and services.

Poor Consumer Price Knowledge: The pricing of financial services needs to take into account the fact that consumer memory for financial services prices is quite weak.The unexciting and complicated nature of financial services often results in poor recall of the prices of financial services. For example, many consumers have a difficult time remembering the cost of their banking services, such as the monthly maintenance fees for checking account services and ATM transaction charges, or what yearly premiums they are paying for their automobile insurance. As a result, the general level of price knowledge with which consumers interact with financial services providers might be quite limited.

COMMON APPROACHES TO PRICING FINANCIAL SERVICES
The general approach to pricing can be visualized as a process of determining where on a continuous line one chooses to set the price charged to customers. At the one extreme, one could choose to freely provide services to consumers by charging nothing. While such an approach may result in a significant growth in one's customer base, it is typically financially unwise, as it will result in loss of significant amounts of profits. Such a pricing approach is only associated with short-term promotional objectives in which new customer acquisition is the primary objective. For example, an automobile road-side assistance policy might be freely offered to customers for a three-month time period in hopes that some of these customers will decide to continue the service by subscribing to it after the free trial period has ended. Alternatively, one

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could choose to price a financial service below cost or at cost. These price points may also serve the general objective of new customer acquisition, but may be catastrophic in the long-term due to their harmful impact on profitability.

Furthermore, prices that are below cost often trigger competitors to engage in intensive price competition and may raise the attention of regulators who may consider the prices to be predatory and anti-competitive. This may result in legal actions against the company based on U.S anti-trust laws, which are designed to promote healthy competition in all markets. Therefore, the benefit of remaining in the lower range of the price spectrum would need to be very carefully examined in terms of its long-term strategic impact as well as short-term profit implications. Most financial services organizations seek to generate a minimal amount of profits. Therefore, a minimum constraint on their prices is the need to cover costs. This approach is often referred to as *cost-based pricing* and will be discussed shortly. The thought process behind cost-based pricing is to determine the costs of providing a given financial service and to apply a specific mark-up typical of one's line of business in order to ensure that appropriate levels of profitability are generated from offering the service.

Alternatively, a financial services organization may choose market share as its primary objective. Therefore, the relative position of one's prices versus those of key competitors might become the primary focus. To take away market share from a leading competitor, one may have to price below or at comparable levels to the competitor's price. This could represent areas between points C and E on the price spectrum and is often associated with what is referred to as *parity pricing*. Parity pricing involves choosing prices that are anchored around competing prices in the marketplace. Because higher prices may be interpreted by consumers as reflecting higher levels of quality in certain financial services, it is important to note that price points above E on the price spectrum may also be quite acceptable to consumers. The correct positioning of price in such a context would be an empirical issue only to be established through the application of formal market research techniques.

Determining What Prices To Use

The pricing approaches discussed above are often used in combination. For example, one may use cost-based pricing to arrive at a price. Parity-based pricing may be used to arrive at another price, and value-based pricing could be used to arrive at another price. The task of determining the final price may involve managerial judgment as to which of the estimated prices should weigh more heavily in determining the price charged for a financial service. For example, in a market that is highly competitive, a parity-based price might have more weight than the other pricing approaches. Alternatively, in a market where customers might value the unique features of a financial service, value-based pricing might be most relevant. As a result, the task of setting prices is a combination of the science involving the numeric derivation of the price points discussed earlier, and the art of judging what the ultimate price should be. The ultimate price might take one of these computed prices more into account than the others, or it may reflect an average of these prices.

Category-Specific Pricing Practices

In this section, we will discuss unique aspects of pricing for several popular categories of financial services. In particular, tactics and approaches used in pricing credit products, savings products, investment and brokerage services, and insurance products will be discussed. These categories account for a significant proportion of consumer spending in financial services, and the unique aspects of each of these services require particular pricing approaches to be utilized. It is critical for financial services marketers to have a full understanding of the underlying process for pricing these particular types of services.

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A. Pricing Credit Products

Credit products facilitate the lending of funds to a customer as these would include credit cards, home equity lines of credit, home equity loans, automobile loans, home mortgages, and other forms of financing within both consumer and business settings. Credit products have two fundamental characteristics. The first relates to whether the lending activity is collateralized or not. Collateralized lending occurs when an asset possessed by the borrower is used as collateral, such that it could be repossessed by the lender in case of default. Collateralized credit therefore presents the lender with relatively low risk in giving out credit. For example, the collateral used for a home mortgage is typically the property itself. Therefore, if the homeowner fails to make the regular mortgage payments, the mortgage company may have the right to gain possession of the collateral (the house) and to place the property on the market in order to recover its own investment. This lowers the risk for the lender because it not only motivates the customer to ensure timely payment of the mortgage bills (or risk losing the house), but the collateral also serves as a safety blanket for recovering the funds loaned to the customer. On the other hand, non-collateralized credit such as credit card debt is not associated with any specific asset that could be repossessed, and therefore represents a higher level of risk to the lender. If a customer decides not to pay his credit card balance, the credit card company typically has no assets to rely on as a means for recovering its funds and must rely on the functions of a collection agency to recover its funds. Therefore, when it comes to the pricing of credit, higher interest rates apply to non-collateralized credit where the lending risks are higher. This is one of the reasons why home equity lines of credit (which use the home as collateral), receive significantly lower interest rates than credit cards, which are non-collateralized, and can therefore be a cost effective way for consumers to conduct debt consolidation. Credit can be extended to a customer in either revolving or non-revolving form. In the non-revolving form, there is a finite length of time in which the borrowed amount has to be repaid by the customer.

Two fundamental risk factors that influence the price of credit are *performance risk* and *interest rate risk*. Performance risk reflects the possibility that the customer is unable or unwilling to make the regular payments related to the loan. Customers with bad credit history represent higher levels of performance risk and are often charged higher interest rates. Performance risk is often assessed by examining a credit applicant's credit report. Interest rate risk, on the other hand, reflects speculations on interest rate trends in the near future. If the interest rates rise during the term of a loan, the lender suffers from a possible opportunity cost.The opportunity cost is presented by the fact that the lender could have realized higher interest earnings had it been able to lend out the funds using the higher rates. Interest rate risk, therefore, relates to the possibility that interest rates will increase during the term of a credit arrangement.

Pricing Savings Products

Savings products involve consumers depositing their money with a financial organization such as a bank or a saving and loan institution. The financial organization ensures the safekeeping of the customer's funds and possibly facilitates additional transactions related to the deposited funds. By depositing funds into a savings account, the customer has in effect passed on the responsibility of keeping the money in a safe place onto the bank that now has to keep the funds in a secure location and possess the necessary infrastructure to facilitate the safekeeping and associated financial transactions.

Pricing Brokerage and Investment Services

The pricing of services provided by brokers and investment houses for the sale of financial products and securities can be customized at the individual customer level or set as
a fixed price applicable to all customers. Often, prices are assessed based on the unique needs of individual clients, the total amount of assets being managed, and even at times negotiated on an individual basis. Brokers whose job is to facilitate the trading of securities for customers have a multitude of approaches available to them for earning income. One approach is to charge trading fees for the purchase and sale of

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securities on behalf of a client. Trading fees might be flat regardless of the Naira amount of securities traded, or they may be based on a percentage of amounts traded. The brokerage business is divided into two general categories called full-commission brokers (FCBs) and discount brokers. FCBs generally charge higher prices for their services, but also provide financial advice and portfolio planning services to their clients.

STRATEGIC CONSIDERATIONS IN PRICING

In determining the price of a financial service, several strategic and tactical issues need to be taken into consideration. The long-term strategic framework of the service, as well as short-term profit and customer acquisition tactics that may be required can influence the final determination of price. Some of these considerations will be discussed below.

Environmental Forces Influencing Pricing

Several environmental considerations that are likely to influence the future of pricing in financial services also need to be taken into account. The first is the significant impact that the Internet has had on the price search behaviour of consumers. The Internet has made the process of looking for the lowest priced financial services provider easier for consumers, and it has also made detailed product information readily available to the masses. For example, it is estimated that seven out of every ten home buyers search the Internet for mortgage rates.Similarly, the Internet is now beginning to facilitate price shopping in other categories of financial services such as property and casualty insurance, term life insurance, and commercial banking services. In addition, information available through the Internet is beginning to enable consumers to have a better assessment of the quality of financial services providers. For example, the Insurance Departments in most states often post the complaint rates that are associated with insurance companies operating in their state, on the Internet. Access to such information would allow consumers to have a more accurate assessment of the quality of an insurance company, and influence their reactions to the prices of the insurance policies offered in the marketplace.

The Future

Service marketing management through managing customer interfaces, providing value for money products; value pricing and product innovation will separate the also-rans from the best. The future technology road map (trajectory) will be full branch automation: networking and expansion of ATMs and the introduction of core banking solutions in branches. The state of art technology which is to be provided has to be backed by a committed working force for its success - a work force committed to quality, single window delivery of service and in developing customer relationship by delivery of high quality personalized professional service.

RESEARCH METHODOLOGY

According to Asika (2006), research design is the structuring of investigation aimed at identifying variables and their relationships to one another. The objectives of this study are to ascertain the effect of marketing of financial services on First Bank of Nigeria Plc., identify the problems facing marketing of banking services with aim of providing solution and to examine the marketing strategies of banks with the view to establishing its effectiveness and efficiency of how the banks are marketing their services in terms of types and qualities. For this study, the research design adopted was survey research design in which a sample is selected at random amongst the population of the study and used as respondents for the study.

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The population of the study was made up of three hundred branches (300), the entire staff of First Bank of Nigeria Plc. From which sample size of seventy (70) staff were selected, including both the junior and senior staff of the company, who formed the population of study.

The questionnaires were sizeable and targeted sample size. Thus, the research instrument was administered to seventy (70) respondents. While the sampling technique used was stratified random sampling. This is done to get the views of the staff of the marketing department of First Bank of Nigeria Plc. Asika (1991) defined validity as the degree to which a measuring instrument measures what it is designed to measure while Reliability is concerned with how consistent the results a researcher obtains with the instrument are. This section reports the validity of the questionnaire and the reliability to be placed on the questionnaire as an instrument of data collection for this study. Reliability of the research instrument is the degree to which the instrument consistently measures what it intends to measure. It stands to determine the reliability of the responses of the various respondents to the research questions. To further ensure the reliability of the instrument of this study, a pilot survey was carried out on two hundred employees, but a pilot survey of 20 people was used to test the reliability of the questionnaire. The questionnaires will be collected completely, serialized, coded and analyzed sequentially according to the research questions using SPSS v17. Tables were used to provide information to facilitate the analyses. Simple percentages and frequency distributions together with Chi-square and Spearman's rank correlation coefficient were used to analyze the data. The formula of the correlation coefficient is given below:

$r = 1\text{-}6\sum d^2/n\ (n^2\text{-}1)$

Where r = correlation coefficient

d= deviation of the ranked observable values

n= frequency of the observed values

DATA PRESENTATION, INTERPRETATION AND ANALYSIS

Introduction

This chapter focuses basically on the presentation, analysis and interpretation of data collected through the questionnaires and the annual reports in order to show the effects of strategic marketing of financial services on organization performance in Nigeria. The responses from the questionnaire are analyzed through the use of table below

Departments	Number Administered	Number Returned	Percentage
Operations	15	11	73
Marketing	25	14	56
Customer Services	5	5	100
Human Resources	15	11	73
Internal Audit Function	10	9	90
Total	**70**	**50**	**71**

Source: Researchers compilation, 2014

Out of 70 questionnaires administered to bank workers, a total number of 50 were retrieved indicating a response rate of 71.43%.

DATA PRESENTATION AND ANALYSIS

The tables below show the suggested questions and the number of respondents with the rate of response to each in percentage.

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Table 4.2.1: Respondent Management Level

	Frequency	Percent
Low level	14	28.0
Middle level	27	54.0
High level	9	18.0
Total	**50**	**100.0**

Researcher's compilation, 2014

With respect to the current management level, above table 4.2.1 made known that the percentage of 54 percent with 27 respondents are of the middle management level while high management level and low management level percentage are 9 respondents of 18 percent and 14 respondents with 28 percent respectively.

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Table 4.3.1: Do First Banks of Nigeria have a marketing department.

	Frequency	Percent
Yes	42	84.0
Do Not Know	8	16.0
Total	**50**	**100.0**

Researcher's compilation, 2014

The labeled table 4.3.1 shows the frequency and percentage distribution of the First Banks of Nigeria having a marketing department. The table shows that 42 respondents of 84 percent agreed they do while 8 respondents of 16 percent say they do not have marketing department. Therefore we can strongly admit that First Bank of Nigeria have marketing department.

Table 4.3.2: Does First Bank of Nigeria market Financial Services

	Frequency	Percent
Yes	38	76.0
No	7	14.0
Do Not Know	5	10.0
Total	**50**	**100.0**

Researcher's compilation, 2014

The table 4.3.2 above addresses the question that" Does First Bank of Nigeria market Financial Services". Thirty- eight respondents of seventy six percent agree and seven respondents of fourteen percent while five respondents of ten percent do not know. Therefore, First Bank of Nigeria market Financial Services.

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Table 4.3.3: What class of customers does your bank market Financial Services to?

	Frequency	Percent
Individual	19	38.0
Small and medium scale enterprises	14	28.0
Corporate organization	11	22.0
Multinational corporations	6	12.0
Total	**50**	**100.0**

Researcher's compilation, 2014

The above table 4.3.3 shows the class of customers First Bank of Nigeria market services to. First Banks of Nigeria market to 19 percent of individuals, 28 percent to small and medium scale enterprises corporate organizations and 12 percent to multinational corporations. It means the bank market Financials mostly to individuals.

Table 4.3.4: For every new bank services introduced into the market by First Bank of Nigeria does your Bank experience increase in patronage on these products

	Frequency	Percent
Yes	19	38.0
No	13	26.0
Do Not Know	18	36.0
Total	**50**	**100.0**

Researcher's compilation, 2014

The above table 4.3.4 is the frequency and percentage distribution of First Bank staffs' observation on the patronage increase of newly introduced products in the organization. The result shows that 19 respondents of 38 percent agree there is increase in patronage, 13 respondents of 26 percent do not agree and 18 respondents of 36 percent do not know if there is increase or not. Therefore, we can conclude that every new banking service introduced into the market by First bank of Nigeria the bank experience increase in patronage on products.

4.4: Ascertain the Effect of Marketing of Financial Services on First Bank of Nigeria

Table 4.4.1: Does First Bank of Nigeria have increased turnover as result of marketing of Financial Service

	Frequency	Percent
Yes	31	62.0
No	2	4.0
Do Not Know	17	34.0
Total	**50**	**100.0**

Researcher's compilation, 2014

The above table shows frequency and percentage the opinion of the respondents on First Bank of Nigeria increased turnover as result of Financial Service marketing in which 31 respondents of 62 percent agree that the organization has increased turnover as result of Financial Service marketing and 2 respondents of

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4.0 percent disagree while 17 respondents of 34 percent do not know. Definitely the result approved that First Bank of Nigeria have increased turnover as result Financial Service marketing.

Table 4.4.2: Does First Bank of Nigeria invest heavily in marketing of Financial Services

	Frequency	Percent
Yes	40	80.0
No	5	10.0
Do Not Know	5	10.0
Total	**50**	**100.0**

Researcher's compilation, 2014

The above table shows the frequency and percentage distribution of respondent opinion on the question "Does First Bank of Nigeria invest heavily in marketing of Financial Services". The result shows that 40 respondents of 80 percent are agreeing that First Bank of Nigeria invest heavily in marketing of Financial Services while 5 respondents of 10 percent do not agree and do not know respectively. The table conclude that First Bank of Nigeria invest heavily in marketing of Financial Services.

Table 4.4.3: Does marketing of Financial Services have positive impact on the Bank's performance

	Frequency	Percent
Yes	25	50.0
No	11	22.0
Do Not Know	14	28.0
Total	**50**	**100.0**

Researcher's compilation, 2014

Table 4.4.3 is the frequency and percentage distribution of respondents view on Financial Services having impact on the bank's performance with exactly half of the respondents (50 percent) agree while 11 respondents of 22 percent and 14 respondents of 28 percent do not agree and do not know respectively.Therefore, Financial Services have impact on the bank activities and performance.

4.5: Identify the Problems Facing Marketing of Banking Services with the Aim of Providing Solution.

Table 4.5.1: Does First Bank experiences any challenge/problem in marketing Financial Service

	Frequency	Percent
Yes	23	46.0
No	17	34.0
Do Not Know	10	20.0
Total	**50**	**100.0**

Researcher's compilation, 2014

The table 4.4.1 shows the frequency and percentage distribution of respondent opinion on if First Bank of Nigeria is experiencing any challenge/ problem in marketing Financial Service. The result shows 23 respondents of 46 percent, 17 respondents of 34 percent and 10 respondents of 20 percent respectively

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agreeing, not agreeing and not knowing that First Bank experiences any challenge in marketing Financial Service.

Table 4.5.2: Are there Financial Services affordable to the intended customer?

	Frequency	Percent
Yes	39	78.0
No	4	8.0
Do Not Know	7	14.0
Total	**50**	**100.0**

Researcher's compilation, 2014

The above table 4.5.2 shows the frequency and percent distribution of respondents view on Financial Services being affordable to the intended customer with 39 respondents of 78 percent agreeing while 4 respondents and 8 percent do not agree and 7 respondents of 14 percent do not know. This means that in First Bank of Nigeria there are Financial Services affordable to the intended customer.

Multinomial Logistic Regression Analysis of the Variables

Model Fitting Information

	Model Fitting Criteria	Likelihood Ratio Tests		
Model	-2 Log Likelihood	Chi-Square	Df	Sig.
Intercept Only	78.330			
Final	7.170	71.160	12	.000

Authors Analysis - SPSS v16

Justification for the Choice of Estimation Technique

Multinomial logistic regression model will be used to analyze the data for this research study. Multinomial logistic regression refers to cases where the outcome can have three or more possible types (e.g., "better' vs. "no change" vs. "worse").Like other forms of regression analysis, logistic regression makes use of one or more predictor variables that may be either continuous or categorical data. Also, like other linear regression models, the expected value (average value) of the response variable is fit to the predictors – the expected value of a Bernoulli distribution is simply the probability of a case.

In other words, in logistic regression the base rate of a case for the null model (the model without any predictors or the intercept-only model) is fit to the model including one or more predictors. Unlike ordinary linear regression, however, logistic regression is used for predicting binary outcomes (Bernoulli trials) rather than continuous outcomes. Given this difference, it is necessary that logistic regression take the natural logarithm of the odds (referred to as the logit or log-odds) to create a continuous criterion. The logit of success is then fit to the predictors using regression analysis. Therefore from the above model fitting information table it could be observed that value for the final predictor of the model of the regression equation was 7.170 at a *P-value* of 0.000 which indicates that all the selected variables are significant in the model.

Pseudo-R^2s

In linear regression the squared multiple correlations, R^2 is used to assess goodness of fit as it represents the proportion of variance in the criterion that is explained by the predictors. In logistic regression analysis,

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there is no agreed upon analogous measure, but there are several competing measures each with limitations. Three of the most commonly used indices are examined on this page beginning with the likelihood ratio R^2.

Pseudo R-Square

Cox and Snell	.759
Nagelkerke	.868
McFadden	.687

From the above Pseudo R-square table it could be observed that the 3 parameters showed that there are significant correlations of all the variables in the model explaining the variations in the response variable. In this case, financial marketing in First bank of Nigeria has significant influence on the bank's performance.

Coefficients

After fitting the model, it is likely that researchers will want to examine the contribution of individual predictors. To do so, they will want to examine the regression coefficients. In linear regression, the regression coefficients represent the change in the criterion for each unit change in the predictor. In logistic regression, however, the regression coefficients represent the change in the logit for each unit change in the predictor. Given that the logit is not intuitive, researchers are likely to focus on a predictor's effect on the exponential function of the regression coefficient the odds ratio. In linear regression, the significance of a regression coefficient is assessed by computing a *t*-test. In logistic regression, there are a couple of different tests designed to assess the significance of an individual predictor, most notably, the likelihood ratio test and the Wald statistic.

Wald statistic

Alternatively, when assessing the contribution of individual predictors in a given model, one may examine the significance of the Wald Statistics. The Wald statistic, analogous to the *t*-test in linear regression, is used to assess the significance of coefficients. The Wald statistic is the ratio of the square of the regression coefficient to the square of the standard error of the coefficient and is asymptotically distributed as a chi-square distribution. In accordance with the analysis from the table below, we will observe that all the variables had a Wald statistic of 0.00 indicating that marketing of financial services has significant effect on the performance of the Bank.

Summary, Conclusion and Recommendation

SUMMARY

From the above study, it was found that First Bank of Nigeria offers similar services with other banks, the bank have marketing department. Most respondents stated that marketing programs are being prepared by top management while others stated that they are being prepared by the marketing department.All the respondents claimed to have marketing objectives. Seventy eight percentage of the respondents stated that their banks carried out of customer's research before launching of new products. Also 78.57% has formal marketing budget. The respondents from the bank agreed that marketing activities of the bank had a significant impact of their profitability. They also agreed that modern information technology has improved their marketing activities.The Null hypotheses were rejected at 95% confidence level; this implies that there is a significant and positive relationship between First Bank's financial marketing services and their profitability.

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CONCLUSION

From the analysis of the data obtained, it is concluded that: There is a significance positive relationship between the financial marketing services and profitability of First Bank of Nigeria Plc. There is also agreement among Nigerian Banks on the ranking of factors that shape their marketing strategies. This is not unexpected given the background that the banks operate under the same regulatory environment, more or less the same products, the same market conditions and high labour turnover within the industry with top managers carrying ideas from one bank to another. Also from the facts available, Nigerian Banks appreciate the role of marketing in the achievement of the overall objective of the banks.However, practice of the marketing concept in the banks require towards customer's satisfaction which will in turn lead to increased profitability. Satisfying the customers is yet to be seen in some of the banks as the essence of marketing efforts. It was also noted that many of the banks in the country have a positive attitude towards embracing modern information technology in their operations and marketing activities. Mastering and efficient deployment of information technology will be one of the critical success factors in banks in the next few years. With increasing competition and higher customer expectation success in banking industry will be distinguished by the accuracy of information transfer and the way it accelerates customer's business transactions.

The level of technical knowledge of the products offered by the Bank was also found to be on the average among the customers and even the marketing officers. This is capable of impacting positively on the consumers in making his choice of products. Adequate training for marketing officers and enlightenment of customers will go a long way in solving this problem.

RECOMMENDATION

Below are the recommendations, which will improve the marketing effectiveness of Nigerian Banks and therefore lead to improve profitability. The marketing department should be strengthened and equipped with adequate human and material resources. Most customers are not aware of the services rendered by their banks; Banks should remove the communication gap that currently exists between the banks and their customers. Information can be provided through brochures, pamphlets, circular, adverts etc. The banks should devise ways of making it easy for customers to obtain information from banks. Since Nigerian banks offer more or less the same type of services. The way and manner the services are delivered will make the difference. Greater emphasis should be placed on efficient service delivery.Some of their procedures and processes will need to be restructured. Turnaround time for processing needs to improve. Nigerian Banks should encourage the use of consultancy firms in carrying out market research before new products are introduced. These firms have adequate manpower and database which can be utilized, in erecting market research at a reduced cost. Advancement in information technology, its popularity, and general acceptance have made it imperative for any bank that wants to be relevant in the industry in the next few years to be fully computerized. Some Nigerian Banks with adequate resources should not hesitate to embrace the opportunity offered by the Federal Government's pronouncement on provision of a level playing field for both commercial banks.

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