SURVIVAL STRATEGIES OF MARKETERS IN THE NIGERIAN BANKING INDUSTRY

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ABSTRACT

Banking is in the midst of charge that has arisen due to economic depression. As government seek to improve economic efficiency and better allocation of resources to solve the problem of economic depression, policy makers are shifting towards openness, competitiveness and market discipline.

In response to the development, deposit money banks in Nigeria engaged financial sanitizing, management strengthening, corporate refocusing, and business process re- engineering (BPR), mergers and acquisitions in order to survive in Nigerian economy. This whole process is called survival strategies through cooperate restructuring. The writer made efforts to discuss issued, facts and environmental factors surrounding the wave of deposit money bank's survival in the Nigerian economy. Descriptive design approach was adopted in this study. Questionnaire carefully designed and developed by the researcher was used to gather data from respondents for the research. The questionnaire used had two sections. "Section A" contained personal data of the respondent while "Section B" embodied general questions relating to survival strategies of markers in the Nigeria banking industry. The data gathered were analyzed by the use of THURSTONE ATTITUDINAL SCALE. The hypothesis formulated for the study was tested by the use of the spearman rank correlation to arrive at the research result. 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.

Key words: survival, strategy, marketing, deposit, money bank

1. 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. 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.

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

A new competitive environment is developing largely based on the current technological revolution and increasing globalization. The emergence of a temporarily stable political environment premised on the evolving democratic policy in Nigeria has led to increased foreign participation in corporate governance (Kama, 2005).

However, evidence from various empirical studies by Yadong (2004) and Salavou (2005) show that while these practices are essential for continuous improvement, they seldom create any sustainable competitive advantage if market structure, demand, and technologies continue to evolve unexpectedly (or even expectedly) over time (Harrigan, 2004). Bamidele (2005) links this issue with marketing. The concept of marketing defines a business's success achieved through a process of understanding and meeting customer needs (Kotler, 2004). Such tasks are implemented against a backdrop of constant change, intense competition and limited resources (Kaplan and Norton, 2001; Lavie, 2006). A well articulated, effectively implemented marketing strategy would go a long way to alleviating this problem and reducing the complexity of business tasks (Kaplan and Norton, 2001; Collins, M-epbari, Sira and Miebaka, 2018; Morrison and Fiiwe, 2017).

However, in a stable competitive environment, a competitive strategy simply involves defining a competitive position and then defending it. Since the competitive environment in Nigeria has changed rapidly and unpredictably, new knowledge and capabilities are needed to support any strategy to create a sustainable competitive advantage. Nevertheless, achieving competitive advantage does not imply that the company must always do better than its competitors in all areas.

Thus, the dynamics of today's competitive environment suggest that economics of scale and product or process technology will comprise a diminishing source of competitive advantage (Baumol, 2006).

This approach also overcomes the empirical limitations of the classificatory method because strategic orientation is viewed not across strict strategy classifications but alternatively, along specific dimensions.

Kaplan and Norton (2001); Johnson and Scholes (2002) suggest that strategic orientations can be viewed as having three distinct components:

Analysis: This involves understanding the business environment and the resource capabilities of the organization.
Choice: Managers need to make a strategic choice, which is achieved through a process of identifying, evaluating and selecting options.
Implementation: This involves planning of actions, allocation of resources, and when necessary restructuring to achieve strategic change.

Lavie (2006) advocates that given the volatility in today's business, a contingency approach may be required. This provides flexibility by developing contingencies for a variety of future events.

Porter (2002) therefore offers an interesting perspective when he views strategy from this standpoint in terms of:
- Developing a unique position by choosing to perform differently from the opposition.
- Making tradeoffs with other possible competitive position, in order to protect the organization's competitive advantage.
- Combining activities to fit into and reinforce an overall competitive position.
- Ensuring operational effectiveness when executing activities.

Lavie (2006) further states that change shapes strategy. Because change has been accepted as a consequence of modern life all organizations are subject to increasing levels of change.

2. 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.

> Kotler (2004) 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.

Any Organization cannot operate without a strategy because "Strategy formulation" is vital to the well-being of an organization. A Strategy is the long-term direction which organizations adopt to gain competitive edge in the dynamic business environment by using resources and core competencies to fulfill stakeholder expectations. Reasons of adopting strategies include; Strategies clearly provides employees of the organization with a sense of direction based on the vision, mission and core values of the organization hence synergy among employees.

Through effective strategies, organization understand the industry in which they operate in terms of suppliers, buyers, new entrants, competitors thus respond effectively to challenges that may influence business activities (Johnson & Scholes, 2002). Business definition by technology leads to a very tumultuous corporate existence, as the business enterprise turns direction every time there's a new invention. Strategies help organizations to achieve economies of scale in manufacturing, marketing, Research & Development and distribution thus increased profits and Strategies enable organizations to expand their market share in the domestic and international markets. Organizations justify capital outlay through global markets. Companies will overcome the challenge of service breakdown among customers by adopting effective strategies in the turbulent business environment. Due to stiff competition from new entrants in the industry and changing customer needs, commercial banks should adopt effective strategies geared towards quality service delivery among customers in order to remain competitive (Johnson & Scholes, 2002).

Strategy is management's game plan for strengthening the organization's position, pleasing customers, and achieving performance targets. Strategy includes the goals and major policies of the organization. Strategies are grounded in the array of competitive moves, and business management of an organization depends on how to produce successful performance. Managers' device strategies to guide how the company's business will be conducted and to help them make reasoned, cohesive choices among alternative courses of action. The strategy managers decide or indicate that among all the paths and actions we could have chosen, we decided to follow this route and conduct our business in this manner

Without strategy, a manager has no thought-out course to follow, no roadmap to manage by, no unified action program to produce the intended results. Indeed, good strategy and good strategy execution are the most trustworthy signs of good management. Porter (2004) identified two basic types of competitive advantage: cost advantage and differentiation advantage. When a firm sustains profits that exceed the average for its industry, the firm is said to possess a competitive advantage over its rivals. A competitive advantage exists when the firm is able to deliver the same benefits as competitors but at a lower cost (cost advantage), or deliver benefits that exceed those of competing products (differentiation advantage).

3.   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.

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.

Presentation and Analysis of Data (Analysis of Data according to responses) in the research Questions.

The following tables represent the analysis of development data of the respondents.

Table 1
Gender Analysis

Response variables	Frequency	Percentage
Male	55	68.75%
Female	25	31.25%
TOTAL	80	100%

SOURCE: ADMINISTERED QUESTIONNAIRE, 2015

Table1 above shows that 55 respondents were male, while 25 respondents were female. Thus majority of the respondents were male.

Table 2
Marital status

Response Variables	Frequency	Percentage
Single	18	22.50%
Married	62	77.50%
TOTAL	80	100

SOURCE: ADMINISTERED QUESTIONNAIRE, 2015

Table 2 shows that 18 respondents were single, while 62 respondents were married. Therefore, majority of the respondents were married.

Table 3
Position held in the Organization

Response variables	Frequency	Percentage (%)
Junior staff	36	45%
Middle management staff	25	31.25%
Senior management staff	19	23.75%
TOTAL	80	100%

SOURCE: ADMINISTERED QUESTIONNAIRE, 2015

Table 3 above shows that 36 respondents were junior staff, 25 respondents were middle level; management staff and 19 respondents were senior management staff. Thus, majority of the respondents were junior staffs.

Table 4
Age Analysis

Response variables	Frequency	Percentage
25-29 years	40	50%
30-49 years	24	30%
50 years	16	205
TOTAL	80	100%

SOURCE: ADMINISTERED QUESTIONNAIRE, 2015

Table 4 shows that 36 respondents were between 25 – 29 years of age, 28 respondents were between 30 – 49 years of age, while 16 respondents were 50 years of age and above.

Table 5
Working Experience

Response variables	Frequency	Percentage
1-5 years	40	50%
10 – 20 years	25	32.25%
21 years above	15	18.75%
TOTAL	80	100%

SOURCE: ADMINISTERED QUESTIONNAIRE, 2015

Table 5 shows that 40% the respondents have between 1-5 years working experience in the bank, 25 of the respondents have 10-20 years working experience, 15 of the respondents and above. Thus, majority of the staffs have been working between 1-5 years in the organization.

Analysis of Data According to Research Questions.

MARKETING CONCEPT
Research Question 1
Do you believe in and accept your banks marketing concept?

Table 6

Category (a)	Number of judges (b)	(a) x (b)
5	20	100
4	18	72
3	17	51
2	16	32
1	15	15
TOTAL	80	270

SOURCE: ADMINISTERED QUESTIONNAIRE, 2015

Thus mean value Ranking

$$R = \frac{270}{80} = 3.375$$

Thus, the statement has a numerical weight of 3.375

Research Question 2
Is it correct to say that banks can equally increase profit as well as sustain growth through marketing?

Category (a)	Number of judges (b)	(a) x (b)
5	30	150
4	20	80
3	17	51
2	8	16
1	5	5
TOTAL	80	302

SOURCE: ADMINISTERED QUESTIONNAIRE, 2015
Thus mean value Ranking

$$R = \frac{302}{80} = 3.775$$

Thus, the statement has a numerical weight of 3.775.

Research Question 3
Does management develop different product and marketing plans for different segments of the market?

Category (a)	Number of judges (b)	(a) x (b)
5	19	95
4	17	68
3	16	48
2	15	30
1	13	13
TOTAL	80	254

SOURCE: ADMINISTERED QUESTIONNAIRE, 2015

Thus, means value ranking
$$R = \frac{254}{80} = 3.175$$

This, the statement has a numerical weight of 3.175

Research Question 4
Do you believe that marketing has brought about integration, re-engineering and control of major functions in the bank?

Category (a)	Number of judges (b)	(a) x (b)
5	25	125
4	20	80
3	17	51
2	12	24
1	6	6
TOTAL	80	286

SOURCE: ADMINISTERED QUESTIONNAIRE, 2015

Thus mean value Ranking
$$R = \frac{286}{80} = 3.575$$

Thus, the statement has a numerical weight of 3.575

Research Question 5

Would you agree that pro – active marketing is far better than reactive marketing in the dynamic banking environment?
SOURCE: ADMINISTERED QUESTIONNAIRE, 2015

Category (a)	Number of judges (b)	(a) x (b)
5	30	150
4	25	100
3	20	60
2	3	6
1	2	2
TOTAL	80	318

Mean value Ranking

$$R = \frac{318}{80 = 3.975}$$

Thus, the statement has a numerical weight of 3.975

Marketing strategies
Research Question 6

Sales promotion s (Gifts, Raffle, Premium) are used by your bank to promote its product / services?

Category (a)	Number of Judges (b)	(a) x (b)
5	45	255
4	20	80
3	15	45
2	-	-
1	-	-
TOTAL	80	380

SOURCE: ADMINISTERED QUESTIONNAIRE, 2015

Mean value Ranking

$$R = \frac{380}{80} = 4.75$$

Thus, the statement has a numerical weight of 4.75.

Research Question 7

Does your bank carry out Research?

Mean value Ranking

$$R = \frac{334}{80} = 4.175$$

Thus, the statement has a numerical weight of 4.175

SOURCE: ADMINISTERED QUESTIONNAIRE,

Category (a)	Number of judges (b)	(a) x (b)
5	45	225
4	15	60
3	12	36
2	5	10
1	3	3
TOTAL	80	334

2015

Research Question 8

Attending trade shows, Reading competitors published Reports, attending seminars and engaging the service of researching firms are method used by your bank in gathering marketing intelligence information?

Category (a)	Number of judges (b)	(a) x (b)
5	58	290
4	12	48
3	9	27
2	-	-
1	1	1
TOTAL	80	366

SOURCE: ADMINISTERED QUESTIONNAIRE, 2015

Mean value Ranking

$$R = \frac{366}{80} \quad 4.575$$

Thus, the statement has a numerical weight of 4.575

Research Question 9

Promotional mix (Advertising, sales, promotion personal selling, public relations) are ways and means through which marketing activities are boosted?

Category (a)	Number of judges (b)	(a) x (b)

5	58	290
4	12	48
3	-	-
2	-	-
1	-	-
TOTAL	80	338

SOURCE: ADMINISTERED QUESTIONNAIRE, 2015

Mean value Ranking

$R = \dfrac{338}{80} = 4225$

Thus, the statement has a numerical weight of 4.225

Research Question 10

Is your bank price sensitive when customer patronage and returns on investment on the decline?

Category (a)	Number of judges (b)	(a) x (b)
5	62	310
4	18	72
3	-	-
2	-	-
1	-	-
TOTAL	80	382

SOURCE: ADMINISTERED QUESTIONNAIRE, 2015

Mean value Ranking

$R = \dfrac{382 \ 4.775}{80}$

Thus the statement has a numerical weight of 4.775

Analysis of Data based on test of Hypothesis

In testing the hypothesis which seeks to find out the survival strategies of marketing in the banking industry, we shall use the data provided for both the marketing concept and marketing strategies in carrying out our test.

We shall use the spearman's rank correlation coefficient is as follows.

$1 - \dfrac{6ed^2}{n3-n}$

Where

$d = (R(x)) - (R(y))^2$

= square difference between each pair of ranks

$R(x)$ = individual ranks assigned to X values

$R(y)$ = Individual ranks assigned to Y values

$\sum d^2 = \sum(R(x) - R(y))^2$

Decision Rule

If the absolute value of the obtained value (t) is less than the critical value (t_u), then retain the null hypothesis and conclude that marketing concepts and marketing strategies has an impact in the survival strategies of Enterprise bank.

If the absolute value of the obtained (t) is greater than the critical value (tu), then reject and conclude that marketing concepts and marketing strategies has no impact in the survival strategies of Enterprise bank.

Position	1	2	3	4	5
R1	3.375	3.775	3.175	3.575	3.975
R2	4.375	4.175	4.575	4.975	4.775

R1	Rx	R2	Ry
3.975	1	4.975	1
3.775	2	4.775	2
3.575	3	4.575	3
3.375	4	4.375	4
3.175	5	4.175	5

R1 (x)	R2 (y)	Rx	Ry	D=(Rx-Ry)	d²=(Rx-Ry)²
3.375	4.375	4	4	0	0
3.775	4.175	2	5	-3	9
3.175	4.575	5	3	2	4
3.575	4.975	3	1	2	4
3/975	4.775	1	2	-1	1
					Ed² = 18

We can now complete the correlation coefficient (rs) as follows

$rs = 1 - \dfrac{6ed^2}{n3-n}$

$rs = 1 - \dfrac{6(18)}{5^3 - 5}$

$rs = 1 - \dfrac{108}{125-5}$

$$rs = 1 - \frac{108}{120}$$

$$rs = 1 - 0.9$$

$$rs = 0.1$$

This indicates a weak correlation
To determine the critical value, rejection value of t at 1 percent
Level of significant and with n-2 (where n =10)

From 10 - 2 = 8 degree of freedom from t_u table 8 degree of freedom and 0.01 significance tu = 2.896.

Absolute value is calculated thus

$$t = rs\sqrt{\frac{n-2}{1-rs2}}$$

Where
rs = 0.1
n= 10

$$t = 0.1\sqrt{\frac{10-2}{1-(0.1)2}}$$

$$t = 0.1\sqrt{\frac{8}{1-0.001}}$$

$$t = 0.1\sqrt{\frac{8}{0.99}}$$

$$t = 0.1\sqrt{8.081}$$

$$t = 0.1 \times 2.843$$

$$t = 0.2843$$

DECISION
Since t (0.2843) < tu (2.896), we retain the null hypothesis and conclude that marketing concepts and marketing strategies have an impact in the survival strategies of marketers in enterprise bank.

CONCLUSION
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.

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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