

A case study of first bank nigeria marketing essay

[Finance](#), [Banks](#)



Nigeria is among the developing countries in the World today. In the 1980s, several developing countries pursued some form of financial liberalization program or other, in order to boost the development of their countries.

(Ayadi and Hyman, 2006). In achieving this financial liberalization, the First Bank of Nigeria Plc played a major role since the development and maintenance of the Nigerian economy. Being the first of its kind in Nigeria.

The Nigerian Banking system started its history as far back as 1892 with the establishment of the African Banking in Lagos, the Capital of Nigeria as at then; it was taken over by the Bank of British West Africa (BBWA) in 1894 and was later acquired by Standard Bank of West Africa in 1965. In 1969, Standard Bank of West Africa incorporated its Nigerian operations under the name Standard Bank of Nigeria. In 1971, Standard Bank of Nigeria listed its shares on the Nigerian Stock Exchange and placed 13% of its share capital with Nigerian investors. The bank changed its name to First Bank of Nigeria in 1979. (The journal of African society).

Now, First Bank is the biggest bank in Nigeria out of the 25 banks, it has been rated as the largest RETAIL lender in the country. FBN has a subsidiary in London, UK which started its operation in year 2002 having a branch in Paris. The bank as at 2009 December had a total asset of N2, 172 billion (USD14, 718 million). (First Bank Financial Highlights 2009).

Being the first of its kind in Nigeria, it has made a large clientele base and this has given the management so much confidence and a sense of satisfaction which has led to the neglect of customers' satisfaction maximizations and feelings. There are 25 banks in Nigeria, although FBN Plc

has been rated has the largest retailer bank, other banks are improving on the loop holes of their products and services and using that medium to sap their customers.

The Nigerian populace has come to realise that they own the money (capital) of the bank and because of that; they should get the best products and services possible. Doole et al, (2005) says In the fast moving competitive environment it is vital for organisations to provide customer satisfaction otherwise they risk losing their customers to competitors. The penalty for not providing customer satisfaction can be a steep decline in the organisation's performance, as Marks & Spencer, McDonald's and British Airways (BA) have recently found.

Integrated marketing communication consists of varieties of medium of communication all in the name of satisfying customers in order to get new customer and to retain existing customers. Zeithaml et al (2006) says, marketing communication is more complex today than it used to be. In the past customers received marketing information about goods and services from a limited number of sources, usually mass communication sources such as network television and news papers. With a limited number of sources, marketers could easily convey a uniform brand image and coordinate promises. However, today's consumer of both goods and services receive communications from a far richer variety of advertising vehicles- targeted magazines, websites, direct mail, movie theatre advertising, e-mail socialisation and a host of sales promotion. Consumers of services receive additional communication from services capes, customer service

departments, and everyday service encounter with employees. FBN Plc is the biggest bank in Nigeria in terms of asset and clientele base but lacks a proper integrated marketing communication system. It has so much relied on the facts that it is the first bank ever in the country and the Nigerian populace believe strongly in the bank because of its strong asset base and because it has stood the test of times. Despite their strong clientele base, FBN can single handed own 90% of the customer population in the country if it adopts IMC.

Chris Fill (2009) IMC has emerged partially as a reaction to this inadequacy and to the realisation by clients that their communication needs can (and should) be achieved more efficiently and effectively than previously. The FBN customers are yearning for qualitative and uniform information about their funds and interest.

The Nigerian government created a monetary policy reform that was geared to stabilize the economy in short-run and to introduce a market system for effective allocation of resources. The efforts were directed at promoting financial savings, reducing distortions in investment decisions and inducing an effective intermediation between savers, investors and their financial institutions. (Ayadi and Hyman, 2006).

Integrated marketing communication build a strong brand identity in the market place by tying together and reinforcing all your images and messages. IMC means that all your corporate messages, positioning and images, and identity are coordinated across all venues. It means that your PR materials say the same things as your direct mail campaign and

advertising has the same 'look and feel' as your website. (Zeithaml et al 2006).

Thus this research work aims to explore the opportunities awaiting FBN Plc after adopting a well integrated marketing communications system to boost its customer satisfaction.

Research Questions and Objectives:

Identify the need, want and demand of the market.

Identify the causes of lack of customer satisfaction

Identify and evaluate the market opportunities for FBN Plc.

Analyse the FBN's competitive advantage over its rivals

Develop a well qualitative and quantitative integrated marketing communication system for FBN Plc.

Methodology:

Conceptual Framework and Design

Fisher (2010) says conceptual framework is formed of patterns of concepts and their interconnections. It is usually based on cause and effect relationships which are often the basis of hypotheses that such research seeks to test. It has also been noted by Easterby-smith et al (2002) that conceptual framework helps to take a more informed decision about the research approach, decide which method(s) are appropriate for the piece of research, and also to think about constraints which may impinge on the research.

FBN Plc being a bank and with diverse staff and customers spread all over the country, it is therefore advisable from the understanding of methodology (conceptual framework) to go by positivism approach which is linked to quantitative method. Yates (2004) states that other approaches (quantitative methods) within the social sciences may come from the fact that natural science methods appear to be successful in their field of use. Most research texts have categorised research into two parts; quantitative and qualitative approaches. (Knox 2004) notes that this is mostly done for ease of explanation or to reflect differences in style or marketing, (for structural reasons or for addressing alternative research disciplines) or simply differences in approach is in hindsight for the research. It is said by Yates (2004) that from research texts, the relationship between positivism and quantitative method is almost a law or truth. He then further highlights (with other authors) that quantitative methods can be used with other areas of examples within the social sciences. Also that one can argue clearly that positivist thinking has influenced quantitative or numeric research. This could be as a result from the justification that quantitative methods are just as appropriate within an interpretivist piece of research.

Ticehurst and Veal (2000, p15) support this linkage between quantitative and positivism by stating that the quantitative approach to research is also known as management science or operations research. Therefore linking discipline with philosophy.

Saunders et al (2003) sees research process as an onion.

Adapted from Knox (2004, P. 123)

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Within this “ onion” the second layer refers to the subject of the research approach that flows from one’s research philosophy. Therefore linking the philosophy of positivism with different approaches. This onion has now explained that one’s research could make do with

Deductive Approach: develop a theory and hypothesis or hypotheses and design a research strategy to test the hypothesis.

Inductive Approach: in which data will be collected and a theory will be developed as a result of data analysis. (Saunders et al (2003).

Deductive approach is a form of reasoning in which a conclusion is validly inferred from some premises and must be true if those premises are true.

And Induction is a form of reasoning that usually involves the inference that an instance or repeated combination of events may be universally generalised. (Malhotra, 2003).

From the above, I as a researcher in the case of FBN Plc have chosen to use from the Onion; Positivism approach which will lead me to deductive approach (quantitative method).

I am expected to use this approach to identify an area of enquiry which is the customers and members of staff of FBN Plc to be able to have a good background of developed theory, which is seen as crucial for, guide me.

The issues to focus an enquiry upon emerge from the established theoretical framework i. e., the customer service procedure, products and services and information given to customers about their funds.

Specific variables are identified that the researchers deem should be measured, i. e., hypotheses are set.

An instrument to measure specific variables is developed.

Respondents give answers to set and specific questions with a consistent language and logic.

The response to the set questions are analysed in terms of a prior established theoretical framework.

The researcher tests theory according to whether their hypotheses are accepted or rejected. (Malhotra, 2003).

Knox (2004) concludes that positivist paradigm is majorly used by marketing researchers (positivism = deduction = quantitative methods); in aligning methods with philosophical stances. It also helps to form the nature of techniques that are applicable by researchers.

Alternative Paradigm Names

Positivist

Interpretivist

Quantitative

Objectivist

Scientific

Experimentalist

Traditionalist

Qualitative

Subjectivist

Humanistic

Phenomenological

Revolutionist

Adapted from Malhotra(2003 p. 138).

Easterby-Smith et al (2002 p28) argue that the key idea of positivism is that the World exists externally, and that its properties should be measured through objective methods. This infers that only knowledge, which is observable, is in fact valid. This then brings together the epistemology of positivism with quantitative methods i. e. methods which are essentially numerical evidence, following a very ' natural science' approach to the research in hand.

In reference to the Onion diagram, the third layers consists of six Research Strategies which include; Experiment, Survey, Case study, Grounded theory, Ethnography and Action result. This research is to make use of all these strategies to know the expectation of customers and what the management and staff are ready to deliver to their customers.

Saunders et al (2003) further expatiated on data collection to be by the following which will be the means of my gathering of information; Case study (questionnaires, interviews, observations) and Documentary analysis.

Expected data collection:

Collection of primary data will be conducted majorly in Nigeria through personal interviews (observations), questionnaires for customers and staff of FBN Plc, and customers and staff of other banks. A major interview will be conducted with the Head of Department of the following units; Retail, Human Capital and Social and Welfare (customer service) at the Regional office.

Secondary data will be collected through the customer and staff complaint boxes, financial news and reports and other related websites.

Resources:

This deals with how to find things out by research than discovering things by reading literature. Fisher et al., (2010). In gathering information for the research work, survey research will be adopted to have accurate and generalised views.

In having a successful research work, one needs to make use of several resources in the survey approach which includes the following:

Questionnaire: a question is a method of obtaining specific information about a defined problem so that the data, after analysis and interpretation, result in a better appreciation of the problem. In this research work, the questionnaire must have these set of information inclusive

Facts and knowledge

Opinions

Past behaviour

Future behaviour

(chisnall 2005).

Pilot testing questionnaire: chinall (2005) notes that, it is vitally important to make sure that questionnaire are piloted through all the stages of development. He further explains that it contains question which are specific, clearly understandable, capable of being answered by particular population sampled and free from bias. Webb (2002) confirms that piloting of questionnaire helps to evade participant's biased answer.

Personal interviews: helps with structured questions like rating question in self-response instruments and open-ended questions. These are orally presented, with the advantage that there is the opportunity for the interviewer to interpret questions, clear up misunderstanding, or gather data from those not fully literate from the designers' language. (Black, 1999). It also helps observe and quantify the respondent's attitude when interviewed.

Documentary analysis: this is analysing the news originating from the financial sector of the country, news about the general views of customers and staff and complaints of staff and customers.

Ethical issues: this poses as a problem in gathering information from staff and customers when there is a restriction on privacy, customers and staff that believe they should be loyal to their bank and employer and this can be done by keeping some things secret.

Research bias: Saunders et al.,(2009) says to avoid research being bias, questionnaires and interviews must be designed and tested before being put to use.

Time: a time frame must be set to achieve the expected result for the research.

Literature Review

To appreciate the importance of integrated marketing communication (IMC) it is useful to understand its origin and the major elements that have helped in its development. For many years agencies and clients believed that to deliver messages to particular audiences it was necessary to use specific tools of the communication mix. At the time it was a common belief that to achieve specific communication effects on buyers it was necessary to use particular tools. (Chris Fill, 2009).

Schultz et al.,(1993) says the practice of integrated marketing communication is emerging as one of the most valuable “ magic bullets” companies can use to gain competitive advantage. Advertising, sales promotion, direct response marketing, and public relations practitioners are busy finding common ground to meet the coming challenge of selling to customers rather than market.

This explains that integrated marketing is not out to increase profitability alone but also to achieve maximum customer satisfaction. IMC has now emerged as the response to this structural shortfall and the realisation by customers that their communication needs can (and should) be achieved more efficiently and effectively than the way it was in the past.

IMC develops and extends the notion and value as a communications process targeting a firm's external market. By directing Internal Integrated Marketing Communications (IIMC) towards their employees, firms are able to promote employee satisfaction, trust and commitment, thereby strengthening the firm-employee relationship and ultimately affecting profitability by enhancing customer satisfaction (Herington, Johnson and Scott 2006).

By achieving employees' satisfaction, trust and commitment, it results in employees dedication and putting in their best at their duties and this helps increase customer satisfaction.

Gummenson (2002) confirms this, that previous studies have shown that employees who are familiar with and committed to an organisation's market orientation and brand values play a critical role as ' part-time marketers'. All customer oriented employees, not just those associated with marketing, help to deliver the brand promise. They can influence relations, increase customer satisfaction, customer perceived quality and ultimately revenue. Therefore, directing integrated marketing communications towards a firm's internal market is itself a critical part of achieving sustainability and profitability. (Ferdous, 2006).

Schultz et al., (1993) have produced a lively, no-nonsense critique of this fast moving marketing trend in integrated marketing communications. Taken alone, the early chapters documenting the shift from mass production to mass marketing are worth the price of the book. Yet the real meat of the text is revealed as the authors analyze the emerging reality of true one-on-one marketing to individuals, a reality made possible by the power of information technology to develop this ultimate consumer segmentation approach.

The fundamental reasons offered for the popularity of Integrated Marketing Communications (IMC) among marketers is that it is good for the bottom line and a necessity in today's fractured market place. Nonetheless, despite the evolution and increased critical evaluation of IMC, it remains neither universally understood nor universally accepted as a useful construct. Furthermore, IMC is not consistently applied as a marketing principle and according to Hutton "...has resulted in 'superficiality', 'ambiguity' and 'blurred focus'..." (Hutton 1997, p. 8).

It is high time financial institutions realised that they all offer the same products and services and the only thing that can put a major distinctive difference to their services and product is by going extra mile to adopt IMC.

Financial products are controlled by regulatory authorities in an economy. It includes administrative tinkering by governments with financial prices such as interest rates and exchange rates. McKinnon and Shaw (1973) further agrees that financial institutions are generally offering the same services and are controlled by government, and this is hindered in a repressed financial system by the low level of savings, it responds in a positive way to real rates

of interest on deposits as well as the real rate of growth in output. Moreover, investment is negatively related to the effective real rate of interest on loans, but positively related to the growth rate of the economy.

However, if it is proven that the basic financial practices of a bank is solely dependent of government policies, it is only a good thing for the bank(s) to look for best opportunities to improve on their services to survive and sustain their stand in the highly competitive market.

This is further proven by Ferdous (2008) that the fundamental reasons offered for the popularity of Integrated Marketing Communication (IMC) among marketers is that it is good for the bottom line and a necessity in today's fractured market place.

IMC has been able to achieve what other marketing processes have not been able to by breaking down corporate, geographic, and political borders to reach into customers homes and offices in a matter of weeks or days through the use of worldwide networks created by computer and communications technology that have been inculcated into the process of IMC. (Schultz et al., 1993).

Integrated Marketing Communication

Integrated marketing communication plan.

PLACE

Distribution strategy

CHANNEL/MEDIUM CHOICE

C

OTHERS

(PR, POS, etc.)

Objectives

Strategy

ELECTRONIC

Objectives

Strategy

PERSONAL CONTACT

Objectives

Strategy

TELEPHONE

Objectives

Strategy

DIRECT MAIL

Objectives

Strategy

MASS MEDIA

Objectives

Message strategy

Media strategy

Adapted from McDonald and Dunbar (2004, p. 19).

Ferdous (2006) describes IMC to have been variously described in terms of a process, a marketing orientation, an organisational structure, a set of marketing tools, a basis for accountability and a philosophy. In fact it is all of these. However according to Robert Lauterborn who helped coin the IMC label, " What IMC has come to mean to too many people is little more than two-from-column A, one-from-column B media selection" process

(Lauterborn 2003, p. 14). Schultz (1997) agrees that the focus has been one of " Trying to integrate discipline rather than customer or prospects communications. In addition, focusing IMC efforts on the integration of a firm's external marketing communications disciplines ignores the gains in competitive advantage to be had from a horizontal integration across a firm's total communications effort including that of its internal market.

The need for integration is the notion that some aspects of marketing communication should be integrated. The origin of IMC can be found in the

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prevailing structural conditions and the needs of particular industry participants, an understanding of what elements should be integrated in order to achieve IMC needs to be established. The elements to be integrated are; relationships, structures, brands, communication tools, messages, employees, technology, agencies and IMC strategy. (Chris Fill, 2009).

The integrated elements are applicable to understanding IMC as a customer oriented process in creating a common understanding of its principles and core values. It is known that the primary aim of any business is profitability which can only be achieved when customers are satisfied.

Profitability as defined by Ferdous (2006) is the function of customer behaviour, and then customer orientation is not only logical but essential. IMC integrates everything that impacts customer behaviour, not just the organisation's conscious outgoing marketing messages. It begins with product development and includes packaging (branding), selection of distribution channels (communication tools), channel management (agencies), customer behaviour (relationship), customer relationship management and total quality management. It involves the multi-dimensional, interactive, continuously measured communication that connects brands or products and the customer. Lauterborn (2003 p. 15). Furthermore, Cravens et al. (2003) identifies four attributes that set IMC apart from traditional promotional strategies. They are comprehensive, drawing on all of the media, tools and technologies available to affect behaviour; unified execution of all the components of the organisation; and IMC programs emphasise productivity in reaching the designated targets

when selecting communication channels and allocating resources to marketing media.

Before considering the delivery of values of IMC, the communication channels will be given further attention, the channels are generally complex, and they involve various media for different communication with the same set of target market or customers.

Ferdous (2006), these views about IMC values share three key attributes which are fundamental to its values as a marketing concept. They recognise that IMC is about the connection between the brand and the customer and that communication in all its forms facilitates this relationship. Implicit is the understanding that marketing is the whole business from the point of view of its final result, which is from the customers' point of view, marketing today is not a function, but a way of doing business; marketing is everything and everything is marketing. (Harris 1993, p. 13). Most importantly in this approach is the recognition that purposeful and coordinated management of customers and their relationship with the organisation is at the heart of building brand equity, which at a time of brand proliferation is critical to success. (Ferdous 2006).

The Role of Communication.

Communication is the greatest use of language. John Locke has seen the use of communication as the clue to an analysis of the notion of linguistic meaning.

Customer communication completes the 'marketing cycle', linking customer with product, service and availability. At a societal level, in order to connect to mass production and consumption there simply must be mass communications. At its best, commercial communication engages in real dialogue, transmitting value and meaning, while responding to feedback and remaining close to the external customer. Communication has the role to announce, inform, promise, persuade and influence customers to 'buy in' by communicating and delivering customer satisfaction. (Doole et al., 2005).

Communication is the best instrument for sustaining a good relationship between a business and its customers if well understood. In as much as communication is essential between a business and its customers, so also a communication feedback is also very crucial. This because; if a wrong interpretation has been gotten from the information passed by an organisation and a feed back is not received from the customer, the customer retains the wrong information, the organisation might be repeating the same information again at great expense. But when a feedback is in place, the organisation has an opportunity to correct the misinterpreted information and pass the right information across which makes the customer a happy one.

Communication when used in the right context strengthens relationships. Doole et al.,(2005) recognising that employees deliver quality, internal communication encourages affiliation with organisational values as well as providing everyday working information. He further explains that

communication to both external and internal customers is central to both marketing transactions and relationships.

LEVEL OF COMMUNIVATION

CORPORATE

BUSINESS UNIT

MARKETING DEPARTMENT

Product & Price Promotion Place

Price packaging

BRAND MANAGEMENT----- People

Sales Advertising Public relations Merchandising Direct

Adapted from Doole et al., (2005p. 249)

This explains the level of communication and how uniquely they have their level of importance to the whole communication process of an organisation. If one malfunctions, it invariably affects the whole system. This helps to increase the value and credibility of brand communication. At this stage, it should be clearly noted that commercial communication should be based on clear intent as noted by Doole et al., (2005), a communication campaign generally seeks to both 'push' product on to and 'pull' products off the shelf and 'position' the offer competitively in the mind of the consumer. Its components parts need to hang together as a cohesive whole and remain

consistent with core brand values. It is further noted that during the process of product life cycle, communications have very different roles to play;

Introducing new products: the role to play at this initial stage is getting target market attention, also getting the market to test the product or service and the major task at this initial stage is acceptance of the product or service.

Product maturity: at this stage, the product has been accepted and needs to proceed to the next stage, the task here includes sustaining the brand identity, maintaining the loyalty, defending the market share and adding value to the product or service is the major task at this level.

In a situation where the products or services face rejection or losing market share, the need to improve on the product is essential (revitalise and reposition) or direct customers towards alternative, perhaps reducing communications to 'bare bones' dominates. With the aid of product or service campaign, messages can be charged with differentiating, reminding, informing or persuading (DRIP) or sequentially securing attention, arousing interest, building desire and promoting action (AIDA) and moving a customer from unawareness through purchase to brand loyalty.

The Communication Process.

The communication process of IMC is between internal external customers.

This research work is based on the evaluation of IMC between the employees (internal) of FBN Plc. and its customers (external).

Gronroos (1985) explained internal marketing as an instrumental behavioural strategy for developing the “state of mind” that allows customer service effectiveness and building of relationship marketing. Ferdous (2006), in recent times, marketing professional and scholars have given considerable importance and attention to Internal Marketing (IM). According to Lings (2004) much of the literature on internal marketing, contains a variety of interpretations of the domain of internal marketing, its aim and focus. This means, treating employees as customers, understanding and attending to their wants and views which will help achieve a positive change in employees’ attitudes and on the long run affecting customer (external) satisfaction positively.

Chernatony (2001 as cited in Ferdous 2006) suggested that in order to coherently transfer brand values to the company’s stakeholders, employees must develop a shared understanding of what the brand stands for, through implementation of a unified communication approach.

Today, the way organisations communicate with their internal markets, better known as internal communication (IC) (Tansuhaj et al., 1998; Thompson and Hecker 2000; Ahmed and Rafiq 2003; Kong 2007) is considered one of the most essential internal marketing considerations. Ahmed and Rafiq (2003) attempted to give a more acceptable and holistic explanation of internal marketing through the use of internal communication as a cultural framework and instrument for achieving strategic alignment while building customer service competence. This reveals the importance attached to internal (employees) communication in operationalising internal

marketing concepts/activities and achieving organisational competitive advantage and success. (Ferdous 2006).

External customers are the major component of a business or an organisation. Customers determine the existence and longevity of a business. It is therefore important to understand how to carefully communicate information across such that it would not be misinterpreted. Organisations should understand how they receive, process and respond to the feedbacks gotten from customers. (Doole et al., 2005).

If quality is meeting and influencing customer expectation (Doole et al., 2005) and even delighting clients, then managing expectations matters. It is very crucial that employees (internal customers) do not promise more than what they can deliver. Communicating with customers regularly is critical, keeping in touch with them, comprehending their expectations, apologising and explaining the limits of service possibilities can influence their expectations and may expand their zone of tolerance.

Ferdous (2006) emphasises on viewing IMC as a process that focuses on both internal and external customers is the first step to developing a c