

## CHAPTER ONE

### 1.0 INTRODUCTION

Marketing came into the commercial banks in the later 1950's in the form of advertising and promoting concepts, not in the form of marketing concept. With the upsurge in competition many financial institutions devised to adopt marketing tools to get their share of the market. Budgets were established for advertising and sales promotion, managed to attract many new customers. Their competitors were forced into adopting the same measure by writing professional advertising agencies and promotion experts.

Marketing evolved as a part of the total manufacturing organization its rapid evolution was caused by five general issues that are found in commercial banks. These are sales decline, slow growth, changing buying pattern, increasing competition and increasing expenditure.

Before this period Banks hardly ever thought of marketing research on professional bases until they were forced into the system by competition. Their services were shared traditional usage and custom. The commercial banks know perfectly well that most of their customers would be glad of a full banking service.

However marketing concepts became one approach which seeks at improving the customers and the organizations relationship though. Through providing the right type of product that will satisfy the customers need and earn a profit to the firm. The concept is the management orientation the key task of the organization is to determine the needs and wants of the target customers and to adopt the right organization attitude towards delivery the desirable customers satisfactions more efficiently and effectively than its competitors. The organization should be customer oriented, customer orientation as a basic philosophy that forces the business organization to highlight its actions with the mandates of the market. The management has faith that it will be properly rewarded by the customers.

Union Bank Plc has a responsibility to serve the financial needs of its customers, the greater the varieties of services and considering the different categories of customers, the better, the for its fulfilling its objectives.

The marketing concept acknowledges that a business geared to serve the needs and requirement of consumer will achieve a better result over a longer period of time than the

other components whose executives are not be motivated towards the satisfaction of consumers. The marketing concept believes that consumer is king.

This pervasive attitude has three major elements such as undertaking of consumer needs or wants, system approach of marketing variables and other elements in an organization; and objectives to the organization.

Adoption of marketing concept therefore became necessary in Union Bank Plc as they are service oriented, operating in a competitive industries and profit motivated Union Bank Plc need to offer service that will meet their customers wants but before this is made possible, the bank have to embark on a research of the type of services the customers required Union Bank recently realize the important of marketing concept and developed it for most of their services; distribution and promotion the service of marketing service depends upon knowing the buyer well and servicing his/her needs. This means treating each client as an individual product segment it important that a firm should decide as an important matter of policy what type of customers is required.

To this end, all policies, marketing manufacturing and personnel should reflect this overall policy of image. The basic public relations policy can be put forward to ensure that the public are influence to react to the firm in the desired manner. The customers can be influenced by good customers relations to regard the bank as:

- i. Public spirited with a civil responsibility.
- ii. A good bank to work for or invest in.
- iii. A bank whose product and services can be purchased with confidence and reliability.

### **1.1 HISTORICAL BACKGROUND OF THE UNION BANK NIG PLC**

The financial system of the society is the framework within which capital transaction takes place. The saving of some members of the society are made available to other member of the society for productive investment. This process is made possible by the intermediation of financial institutions like the commercial banks.

The first commercial Bank, the Africa banking corporation open in Lagos in 1892, the bank experience some initial difficulties and eventually decided to transfer its interest to "Elder Domister and Company in 1893. this led to the formation of a New Bank known as the British Bank of West Africa (BBWA) in 1893.

The British bank of west Africa and the Barclays bank between 1894 and 1933. In 1972 an indigenization decree was promulgated, where the federal government of Nigeria acquired 51.67% of the Barclays bank share capital while the bank share capital while the bank was left with 40% and the remaining 8.33% with the Nigeria public.

In 1979 the bank sold 20% of its 40% shareholding to the Nigeria public again, thus, reducing its share to 20% in the same year 1979. Then the bank name was changed to Union Bank of Nigeria Ltd.

The equity structure of Union Bank make it only former expatriate bank currently with the larger proportion of its share 80% owned by Nigeria and Nigeria organization.

## **1.2 STATEMENT OF THE PROBLEM**

However some problem that affect Union Bank in Nigeria Birnin Kebbi Branch emerged as a result of inadequate application of marketing concept, such as:

- i. inability of the branch to mobilize saving for investment purpose and harness idle funds in the state.
- ii. Insufficient volume and varieties of financial instrument to facilitate intermediation for investment process.
- iii. Inability to incorporate proper use of marketing concept due to organizational policy framework, which has some restrictive clauses on publicity.
- iv. Insufficient number of workers to deal with member of the public who will like to participate in the banking activities.
- v. Inadequate banking environment which affect their product and service in the state.

## **1.3 OBJECTIVES OF THE STUDY**

Among the objectives of the study are as follows:

- i. To highlight the important roles played by marketing concept in the performance of commercial banks to the economic development of the country.
- ii. To discuss and examine the operations and the likely effect of marketing concept in the commercial banks.
- iii. To help in academic contribution towards reaching possible solution on how to develop and improve marketing concept in the commercial banks.
- iv. To examine certain instances when investment may be insensitive to the level of marketing

concept.

v. To appraise the application of marketing concept in the commercial banks.

vi. To assess the impact of marketing concept in commercial banks.

vii. To ascertain whether marketing concept has any effect in the commercial banks.

#### **1.4 SIGNIFICANCE OF THE STUDY**

The research work is undertaken to advance scientific knowledge of the study matter of investigation an evaluation of marketing concept in the commercial banks.

Marketing concept is an economic phenomenon, in which the consumer is seen as supreme and his/her wants or needs from the starting points and base for production of goods and services.

To survive competitive activities, banks must be able to produce and deliver wants or needs satisfying goods and services, packed of quality and value.

However, customer of various categories of the banks enjoyed such service from Union Bank Nig Plc Birnin Kebbi branch. Customers like the small and medium scale enterprises farmers of different categories, workers of different facets in the state.

It is significant to note that, success only depends on meeting the needs or wants of the customers via value creating exchange. This is done by Union Bank of Nigeria Plc Birnin Kebbi Branch through complete adopting and practice of marketing concept where customers are treated as king, the only boss of the organization whose wishes aspiration preference must be met and which should guide organization thinking and operation.

The prospective users of the research when it is complete are the workers, students and in the banking sector. Who may be interested in knowing the evaluation of marketing concept.

#### **1.5 RESEARCH HYPOTHESIS**

H<sub>0</sub> There is no significance relationship between the commercial banks and marketing concept.

H<sub>1</sub> There is significance relationship between commercial banks and the marketing concept.

H<sub>02</sub> There is no significance relationship in information preference between the commercial banks and the marketing concept.

H<sub>12</sub> There is significance relationship in information preference between the Commercial banks and the marketing concept.

H<sub>03</sub> There is no significance relationship in information format used by the commercial banks and marketing concept.

H<sub>13</sub> There is significance relationship in information used by the commercial banks and marketing concept.

## 1.6 SCOPE AND LIMITATION OF THE STUDY

The scope of this research work is limited to the Union Bank of Nigeria Plc Birnin Kebbi branch, and the extent of this work is also limited to an evaluation of marketing concept in the commercial banks.

There are numbers of limiting factors since the Union Bank senior staff interviews were not willing to disclose useful information to the researcher. A lot of problems went wrong to restrict the researcher writer from conducting a good and comprehensive research.

Among the problems are:

- i. Difficulties in obtaining certain documents and as most of the documents are considered to be very important to the organization, thus preventing the researcher from getting them.
- ii. A work of this nature requires much capital for financing the materials and sourcing information needed. But collation prolonged leaving little time for presentation and analysis of data since the researcher was given schedule time of completion.
- iii. Also the time allocated to this research work is inadequate and insufficient for the researcher to get all the required information for the topic.
- iv. Another limitation is the non-availability of relevant and vital documents in the school library, which could have been useful in making an extensive research work and the library did not keep any special manuals for the topic which the researcher could make reference to.
- v. This research work was undertaken when the writer is fully engaged in the class work. This has greatly constrained the research work because the researcher has to pay attention to normal class activities.

## 1.7 DEFINITION OF TERMS

**Advertising:** To present information about a product arouse interest, build desire and get customer in a favourable frame of mind to buy the product.

**Asset Portfolio:** An asset in the firm property weighted to represent their proportionate market value.

**Business Organization:** Collective endeavour consisting of contractual relationship among the various parties involved.

**Banker:** A person or company carrying on the business of receiving monies and collecting draft from customers subject to the obligation of honouring cheques drawn upon them from time to time by customers to the extent of the amount available in their current account.

**Consolidation:** The combination of two or more firms into an entirely new firm the old firm ceased to exist.

**Corporation:** A business formed legally from its owners.

**Distribution:** The transfer of goods from producer to consumers.

**Financial:** Intermediaries financial institution that accept money from savers and use those funds to make loans and other financial investment in their own name.

**Marketing:** Human activities that is directed at satisfying needs and wants through exchange process.

**Marketing Concept:** Undertaking of consumers need or want (consumer oriented).

**Portfolio:** A combination of two or more securities or assets.

**Portfolio Management:** The process of combining securities in a portfolio tailored to the investors preference and needs monitoring that portfolio and evaluating its performance.

**Sales promotion:** The provision of special buying incentives for a limited period of time.

## **IMPACT OF MARKETING CONCEPTS ON THE PERFORMANCE OF COMMERCIAL BANKS IN NIGERIA**

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