

## **Influence of Relationship Marketing on Customer Satisfaction among Selected Banks in Ado-Ekiti Metropolis**

**Author's Details:**

**<sup>1</sup>Dada, Olumide Gbenga and <sup>2</sup>Enitilo, Olalekan**

<sup>1</sup>College of Health Sciences and Technology, Epe Road, Ijero Ekiti, Council Affairs Unit of the Registry

<sup>2</sup>Best Solution Polytechnic, Akure, Ondo State, School of Business Studies, Department of Business Administration and Management

### **Abstract**

*This study examined the influence of relationship marketing is related to customer satisfaction among selected bank customers in Ado-Ekiti Metropolis. Four objectives were stated for the study. These objectives were targeted towards assessing the effect of trust, empathy, bonding reciprocity and customer satisfaction among bank customers in Ado-Ekiti Metropolis. Primary data were sourced through the use of a structured questionnaire on a carefully selected sample of 400 out of the 445,405 bank customers in Ado Ekiti metropolis as at December 2016 using stratified sampling techniques. Logit regressions were adopted to measure objectively. The study found that effect of empathy on customer satisfaction ( $\beta = -1.6953$ ,  $z = -7.09$ ), have a negative and significant effect on customer satisfaction and effect on Customer satisfaction and the relationship between reciprocity and customer satisfaction ( $\beta = 2.1147$ ,  $z = 8.38$ ). The study concluded that that reciprocity of the banks treat their customers well and also looks out for the interest of their customers.*

### **1.0 INTRODUCTION**

The role of marketing in an organisation cannot be overemphasized. Every organisation needs marketing to remain in business, gain competitive advantage and improve business performance. The traditional marketing approach entails developing, selling and delivery of products. In the past years, the traditional marketing approach, a transactional type, lost more ground in favor of relationship marketing that highlights the idea of creating common experience among a company and its clients (customers), using a relevant, personalized communication and building long-term relations (Chirica, 2013). Relationship marketing is a marketing philosophy, which focuses on customers. Before the advent of relationship marketing, the focus of marketing is solely on products.

Relationship marketing begins with the notion that firms see their customers as manageable strategic assets (Rust, Zeithaml & Lennon, 2000). It is based on these premise that developing a relationship with customers is the best way to get them to become happy and loyal. Happy and loyal customers are believed to be more profitable than the unhappy and disloyal ones. Relationship marketing is inherently synonymous with “customer relationship management,” and it is based on managing customers in a different way from the traditional model of the 4Ps (Raines, 2005).

Boone and Kurtz (2007) describe relationship marketing as the development, growth, maintenance of long-term, cost-effective exchange relationship with individual customers, suppliers, employees, and another partner for mutual benefits. It establishes a new level of interaction between a firm, and its potential and existing customers. Shaker and Basem (2010) argued that relationship marketing is particularly important in services since there is often direct contact between the service provider and customers. Proper relationship marketing, in business, may result in reduced operating costs and increased customer satisfaction, customer loyalty, and customer retention; thus, the performance of the business is improved.

The strategy of relationship marketing is relevant in services industries because of the intangible nature of services offered and their high level of customer interaction (Al-Hersh, Aburoub & Saaty, 2014). According to Aaltonen, Markowski and Kirchner (2008) relationship marketing activities are very important in the financial service industry because a significant amount of money, risk, and confidential information are pivotal to financial services. Banks are major participants in the financial service industry; hence, it is imperative for them to engage in relationship marketing to promote their effectiveness and efficiency and consequently gain competitive advantage.

Customers are the major products of every bank and the way these products are managed determine the effectiveness and efficiency of the banks and ultimately their performance (Adeyeye, 2013). Therefore, banks should place a high priority on the needs of their customers and ensure these needs are timely met. Customers are now the business itself in the banking business across the world; hence, if banks fail to recognize them, they do so at their own peril. A bank must strive to ensure its customers are satisfied, loyal and retained as well as ensuring that services offered add value to the customers so as to improve their performance.

Banks operate in a highly competitive and dynamic business environment, and therefore a bank seeks to build a strong relationship with its customers so as not to lose them to competitors (rivals) and at the same time; to gain some from them. Nigerian banks have embraced relationship marketing as a strategic tool to improve satisfaction, loyalty, retention, and value of customers. The rationale for employing relationship marketing in Nigerian banks is primarily to make customers satisfied through better service delivery; thus, resulting in an improvement in bank performance. It is against this background that this study sorts for the purposes of the presented research are to assess the relationship between marketing (trust, bonding, empathy, and reciprocity) influence banks' customer satisfaction among selected bank in Ado Ekiti. This research will, therefore, fill the gap and add both quantitative and qualitative study to this research area that describes both the influencing factors that promote the satisfaction of bank customers in Ado Ekiti metropolis. The broad objective of this study is to examine how relationship marketing is related to customer satisfaction among bank customers in Ado-Ekiti Metropolis. The specific objectives are to assess the effect of trust on customer satisfaction among bank customers in Ado Ekiti metropolis; determine the effect of empathy on customer satisfaction among bank customers in Ado-Ekiti Metropolis; examine the relationship between bonding and customer satisfaction among bank customers in Ado-Ekiti Metropolis and investigate the relationship between reciprocity and customer satisfaction among bank customers in Ado-Ekiti Metropolis.

### **Significance of the Study**

The study focused on the influence of relationship marketing on customer satisfaction among bank in Ado Ekiti metropolis, in this regard; scholars in this area may likely use this study as a form of reference. In addition, researchers will be able to gain additional knowledge from the study given that it is focusing on the banking industry. Relationship marketing (RM) has become strategically imperative for all companies as its effective implementation can increase customer satisfaction, loyalty, and retention and so, overall sales and repeat purchases. The research results could provide assistance to banking industry management to better satisfy its customers, respond to their needs efficiently and timely.

Further, adopting customer relationship marketing would be the platform for building a good partnership with customers, which consequently leads to services development and improvement. Moreover, other public sector enterprises could benefit from the study (Parastatals, Ministries, etc.); as this study would highlight the importance of building a good relationship with customers which could result in performance improvements and better decision-making process.

### **Scope of the Study**

This study covered the relationship marketing on customer satisfaction among selected banks in Ado Ekiti metropolis, which is the capital city and commercial nerve center of Ekiti State in the South-West geopolitical zone of Nigeria with reference to bonding, trusting, empathy, reciprocity, and customer satisfaction. This study is also limited to bank customers in Ado Ekiti Metropolis.

## **2.0 LITERATURE REVIEW**

### **Relationship Marketing (RM)**

Zeithaml, Mary-Jo, and Dan-Dwayne (2009) in their book 'Service Marketing: Integrating Customer Focus across the Firm,' states that relationship marketing basically is a marketing paradigm shift from a focus on

the acquisition/transaction to focus on the retention/relationship. Relationship Marketing makes customers as partners, and the company must make a long-term commitment to maintain customers with quality, service, and innovation. Relationship marketing philosophy is to do business, and strategic orientation focusing maintains and improve relationships with existing customers rather than acquiring new customers. This philosophy assumes that a lot of customers and business customers choose the continuity of relationship with an organization on the move constantly providers to find the value. Based on this thinking, less expensive than retaining existing customers and attracting new customers is a successful marketer who works with an effective strategy to maintain customers.

Many companies understand that long-term competitiveness is highly depending on the condition of customer retention. In order to achieve this condition, we need a way how to change the perception of the customer to implement bilateral communication with the customer to win the trust of customers by treating customers as partners who can contribute to the creation of value. Marketing should also be involved in company-wide pre-occupation rather than isolating a specific department. Relationship Marketing will become the dominant paradigm and Transaction Marketing will be abandoned (Grönroos, 2004). Guonaris (2005), states that when entering into a professional services marketing and especially in the B2B market, still very little empirical documentation.

Relationship Marketing and sellers-buyers relationship in Business to Business (B2B) Professional services industry, dominated by the magnitude of the rapid increase in knowledge representation and economic sectors. The scope of professional services has the resources to focus on a narrow area of expertise (expertise), gained experience through the wide range of innovative clients and in the process engagement. Based on this reason, that knowledge and relationships become a great resource for sustainable competitiveness, professional service providers, and clients in need of power continue to develop the relationship. The knowledge-based relationship can be deepened through mutual trust (Bagdoniene & Jakstaite, 2009). Professional services as services with knowledge-intensive business (Doloreux & Muller, 2007) is designed for institutional clients, most businesses but also for non-profit institutions.

Jaakkola and Halinen (2006) highlighted the characteristics of professional services is to have special knowledge/expert (specialist), having autonomy in decision-making, altruism, has its own settings and have the participation of the client and with a high degree of customization. As can be seen, the main features of professional services are identified and the workings of individual workers by 'outlined traits.' Talking about the process of services, it should be noted that for the provision of services, the learning process with service providers and clients that have emerged, existing knowledge and new knowledge combined, formed and dissemination of this knowledge. Loyalty in B2B Services Industry described as repeat purchases, in which it is in the literature called as the behavioral type of loyalty. Loyalty based on this behavior has been dominated until the 1970s. However, different approaches are the concept of loyalty by attitude (attitudinal loyalty) that reflects the concept of loyalty is actually a true loyalty. Palmatier *et al.* (2006) find and support Reicheld (2003) that the Word of Mouth (WOM) in fact is the best thing that indicates intense loyalty. Rationally, those only customers who have a strong relationship with the seller willing to his own reputation risk providing a referral (Palmatier *et al.*, 2006). In the concept of contemporary research, psychological factors/attitude is emphasized. It is assumed that the emotional aspect is only important to the seller as the behaviour. Attitudinal loyalty represents a higher-order, long-term commitment from the customer to the organization that cannot be met simply by customer repeat purchase and this may indicate the use of services in the future or the willingness to recommend the company to others (Reichheld, 2003). However, attitudinal loyalty is not a result of purchasing behaviour. Day (1969), was the first to propose the concept of composite loyalty, where loyalty does not only look at the behavioural aspects but also the attitude dimension.

The main argument is that behavioural loyalty is itself not only to be followed by the actual loyalty (Rauyruen & Miller, 2007). For example, a customer would buy not because he's constantly loyal to the service providers but because there is no other service provider, in other words, the customer has been in a state of 'locked-in.' Meanwhile cognitive loyalty, the same is not inconsistent because the customer does not consider that others may be due to nothing else. While attitudinal loyalty is used to identify the customers

who repeatedly buy because of his commitment to the service provider is not because of a lack of alternatives, but because of the long-term contract (Lee & Bellman, 2008). Based on the above reference, this study used a combination of behavioural loyalty and attitudinal loyalty lore called composite of loyalty concept, so if customers are loyal and committed to the behaviour of service providers, it becomes natural to think that the service provider will be selected treat (preferentially) during supported by attitude. This research approach combined loyalty in B2B service business context and commitment is part of attitude loyalty. The main purpose of an organization is to make the customer enters into a loyal customer (Ndubisi & Chan, 2005). Ndubisi (2007), concluded that loyal customers could be created, strengthened and maintained through the marketing plan with the goal of building trust, demonstrating a commitment to service, communicating with customers at the appointed time, demonstrate a proactive and responsible action as well as efficient in handling conflicts or problems that occur. Interest in the topic of loyalty increase gradually, but the investigation on the antecedents of customer loyalty in the context of B2B professional services industry is still limited. Therefore, the complex relationship between the construct (loyalty and its antecedent) is still not widely understood in the B2B relationship (Lam *et al.*, 2004).

### **Trust**

Trimetsoontorn and Chattananon (2004) describe trust as the belief and conviction about the other party's intention within the relationship. It reflects the degree to which each party in a relationship feels it can rely on the integrity of the promise offered by the other (Callaghan, Mcphail & Yau, 1995). Trust is customer's perception that a firm is truthful and proficient. A high level of trust increases the bonding and commitment of a customer to an organisation. Olotu, Maclayton, and Opara (2010) opine that trust is a potential weapon that a bank can employ in their desire to gain a strategic advantage and survive in today's ever increasing competitive environment.

### **Relationship Bonds**

Before the trust is developed, there must be some assurance. The efficient techniques to build trust is to reduce the uncertainty of the output over a relationship, because it is a process through which the purchaser (buyer) and service providers to build relationships for the benefit of both parties (Cross & Smith, 1996). Writers in the field of relationship bonds distinguish between two broad categorization of bond that is structural bonding and social bonding (Wilson & Mummalaneni, 1986). Structural bonding describes the relationship at the level of the firm if it breaks down; they are large enough to pay for the responsible party (Moller & Wilson, 1995). Social bonding, on the other hand, is inevitable by-products on any exchange business (Wilson, 1995). Social bonding including the feeling of likeness, acceptance, friendship, social activities, and others. Structural and social bonds based on empirical studies have demonstrated the success of a relationship (Wilson *et al.* 1995).

### **Empathy**

Empathy is the ability to see a situation from another person's perspective (Wang, 2007). It is defined as seeking to understand somebody else desires and goals. It involves the ability of individual parties to view the situation from the other party's perspective in a truly cognitive sense (Chattananon & Trimetsoontorn, 2009). Empathy has a number of analogous meanings – the golden rule, the ethic of care and an "others" orientation. Empathetic marketers are not insensitive to the needs and concerns of the consumer. Empathy should not be equated with sympathy; marketers can be empathetic while still driving a hard bargain with customers (Murphy *et al.*, 2007). In the personal selling literature, the empathetic abilities of the salespeople are a prerequisite for successful selling. In the service marketing literature, the component of empathy is used in developing the SERVQUAL test instrument for service quality. In the networking literature, empathy has been considered as an independent variable in explaining franchisor-franchisee working relationships (Sin *et al.*, 2002).

### **Reciprocity**

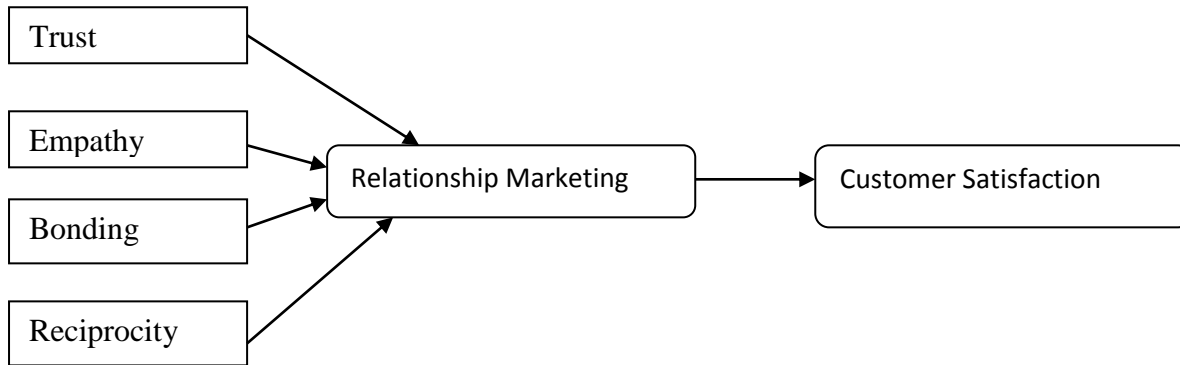
Reciprocity can be described as a dimension of a business relationship, and this dimension makes it possible that two parts exchange favors (Trimetsoontorn & Chattananon, 2009). Reciprocity means that both parts will be likely independent of each other and have mutual benefits of the cooperation. Reciprocity is according to Cialdini and Rhoads (2001) an obligation for parties to return what they have received from other parties. Ravald and Grönroos (1996) state that relationship marketing has become the chosen approach for firms when wanting to develop reciprocal and valuable long-term relationships with customers. Wiersema (1997) explains that a close relationship between a supplier and a customer requires reciprocal understanding. Cialdini and Rhoads (2001) state that reciprocity usually can be applied when there is an exchange of gifts or services but also regarding concessions. If one party is requesting something that the other party is not willing to accept, then a lowering of that request can make the other party feel more obliged to accept the new offer (Cialdini & Rhoads, 2001). Sethi and Somanathan (2003) explain that in a reciprocate behaviour parties reward each other's generosity and punish opportunistic behaviour. The behaviour that one party receives can be expected to be given back either it is positive or negative.

Reciprocity is positioned as an important interpersonal norm of stable marketing relationships given recent findings that relationships develop most strongly at the individual level. It is suggested that reciprocity leads to personal well-being; thus providing an additional motivation, over and above economic incentives, to develop and maintain relationships (Simon *et al.*, 2007). Scholars like Houston *et al.*, (1992), Ellis *et al.*, (1993) have indicated reciprocity as a pertinent component of relationship marketing. They perceive reciprocity as a basis for the interference between exchange transactions and marketing activities. After a review of extant literature, Sin *et al.*, (2002) looked at reciprocity as the dimension of relationship marketing that causes either party to provide favors or make allowances for the other in return for similar favors or allowances to be received at a later date. In retail situations, reciprocity could take the form of gift giving. A gift given to customers will result in customers returning the gift in the form of loyalty to the organization. An organization that reciprocates to its customers is also likely to make them loyal.

### **Customer Satisfaction in Banking Sector**

In line with Tsoukatos and Rand (2006), customer satisfaction is a key to long-term business success. To protect or gain market shares, organizations need to outperform competitors by offering high-quality product or service to ensure satisfaction of customers. In proportion to Magesh (2010), satisfaction means a feeling of pleasure because one has something or has achieved something. It is an act of fulfilling a need, desire, demand or expectation. Customers compare their expectations about a specific product or services and its actual benefits. As stated by Kotler and Armstrong, (2010), satisfaction as a person's feelings of pleasure or disappointment resulting from the comparison of product's perceived performance in reference to expectations. Customer's feelings and beliefs also affect their satisfaction level. Along with Zeithaml (2009), satisfaction or dissatisfaction is a measure or evaluation of a product or service's ability to meet a customer's need or expectations. Razak *et al.* (2007) also reported that overall satisfaction is the outcome of customer's evaluation of a set of experiences that are linked to the specific service provider. It is observed that organization's concentration on customer expectations resulted in greater satisfaction. If the customers of an organization are satisfied with their services the result is that, they will be loyal to them and consequently be retained by the organization, which is positive for the organization because it could also mean higher profits, higher market share, and increasing customer base (Karatepe *et al.*, 2005). Customer satisfaction has become important due to increased competition as it is considered a very important factor in the determination of bank's competitiveness (Berry *et al.*, 2002). Continuous measurement of satisfaction level is necessary for a systematic manner (Chakravarty *et al.*, 1996) because a satisfied customer is a real asset for an organization that ensures long-term profitability even in the era of great competition. Cronin *et al.*, (2000) mentioned in their study that satisfied customer repeats his/her experience to buy the products and also create new customers by communication of positive message about it to others. On the other hand, a dissatisfied customer may switch to alternative products/services and communicate a negative message to others. Customer satisfaction is a set of feeling or outcome attached with customer's experience towards any product/ service (Solomon, 1998). Hence, organizations must ensure the customer satisfaction regarding their goods/services.

### Conceptual framework



Source: Author, 2016

Figure 2.1: Model of Relationship marketing and customer satisfaction

The theoretical framework for this study is commitment-trust theory.

### Theoretical Literature

#### The Commitment-Trust Theory

Robert Morgan and Shelby Hunt (1994) propounded the commitment-trust theory of relationship marketing in 1994. They believe that relationship marketing constitutes a major shift in marketing theory and practice. Morgan and Hunt (1994) posited that successful relationship marketing requires relationship commitment and trust. This premise is based on their notion that commitment and trust are key factors in a business relationship because they encourage firms to work at preserving relationship investments by cooperating with customers; resist attractive short-term alternatives in favour of the expected long-term benefits of staying with existing customers; and see potentially high-risk actions as being prudent because of the belief that their customers will not act opportunistically. The results of a relationship based on commitment and trust are cooperative behaviors that allow both parties to fulfill their needs. When commitment and trust are present simultaneously, they give results that improve efficiency, productivity, and effectiveness (Morgan & Hunt, 1994).

### 3.0 RESEARCH METHOD

#### Research Design

The research design is the systematic way in which a research intends to be conducted. This study employed the survey research design. The survey research design allows a researcher to assess the opinions, thoughts or views of a set of people drawn from the whole population, referred to as sample by asking questions relating to an investigation. This design best suits this study because it made use of primary (qualitative) data, which were collected as responses to questions asked. Taking this into consideration, the questionnaire used for this study contains multiple close-ended questions. The questionnaire was made up of five (6) sections. Section 1 contains questions to obtain demographic information from the respondents; section 2 contains relationship bond scale adapted from Zeithaml *et al.* (2009); section 3 contains relationship trust scale adapted from Zeithamls *et al.* (2009), section 4 contains reciprocity scale adapted from Taleghani, Gilaninia, and Mousavian (2011); section 5 contains customer satisfaction scale adapted from Zeithamls *et al.* (2009) and section 6 contains empathy scale adapted from Taleghani, Gilaninia, and Mousavian (2011). In collecting the data for this study, 400 questionnaires were distributed in all the bank branches (see table 3.1). The distribution was done irrespective of the year of establishment or the gender of those who indicate to participate. To improve response rates, a notebook and pen were offered as incentives to stimulate participation. Confidentiality of the responses was assured.

#### Population of the Study

The population of the study was made-up of the entire 445,409 customers of the 16 money deposit banks in Ado-Ekiti metropolis. Table 3.1 shows the bank customers population as at December 2015 below:

**Table 3.1: Population of the study**

S/N	Bank branches in Ado-Ekiti	customer population
1	UBA Bank	24,000
2	Stanbic IBTC	37,000
3	GTBank	51,000
4	FCMB	49,000
5	Zenith Bank	42,000
6	Skye Bank	37,000
7	First Bank	52,000
8	Diamond	21,000
9	Wema Bank	12,000
10	Access Bank	4,000
11	Heritage Bank	27,000
12	Union Bank of Nigeria Plc	11,490
13	Keystone Bank Ltd	7,432
14	Sterling Bank	8,745
15	Fidelity Bank	26,021
16	Unity Bank	14,721
	<b>Total</b>	<b>445,409</b>

Source: Customers' care of the various bank branches in Ado, 2015

From Table 3.1, the population of the study is 445,409 bank customers.

### Sample size and Sampling Techniques

The sample size for this research was derived using the Taro formula by Yamane (1967) cited in Israel (2009) as follows:

$$n = \frac{N}{1 + N(e^2)}$$

Where: n = anticipated total sample size

N = population size

e = acceptable error term (0.05)

Therefore, the total sample size was computed as:

$$n = \frac{445,409}{1 + 445,409(0.05^2)} = 400$$

From the above, the sample size is 400 respondents.

This research adopted stratified sampling technique using the Kumaran (1976) model to calculate sample size for each bank as follows:

$$n = \frac{n_i N_i}{N}$$

Where n = number of respondents from each bank (group)

$n_i$  = total sample size

$N_i$  = number in each group

N = population size of the study

An interpretation of this formula is the number of customers in each bank divided by the total population and multiplied by the total sample size.

Table 3.2: sample

S/N	Bank branches in Ado-Ekiti	Customers Population	Sample size
1	UBA Bank	24,000	$\frac{(400)(24,000)}{445,409} = 22$
2	Stanbic IBTC	37,000	$\frac{(400)(37,000)}{445,409} = 33$
3	GTBank	51,000	$\frac{(400)(51,000)}{445,409} = 46$
4	FCMB	49,000	$\frac{(400)(49,000)}{445,409} = 44$
5	ECOBANK	21,000	$\frac{(400)(21,000)}{445,409} = 19$
6	Zenith Bank	42,000	$\frac{(400)(42,000)}{445,409} = 38$
7	Skye Bank	37,000	$\frac{(400)(37,000)}{445,409} = 33$
8	First Bank	52,000	$\frac{(400)(52,000)}{445,409} = 47$
9	Diamond	21,000	$\frac{(400)(21,000)}{445,409} = 19$
10	Wema Bank	12,000	$\frac{(400)(12,000)}{445,409} = 11$
11	Access Bank	4,000	$\frac{(400)(4,000)}{445,409} = 6$
12	Heritage Bank	27,000	$\frac{(400)(27,000)}{445,409} = 24$
13	Union Bank of Nigeria Plc	11,490	$\frac{(400)(11,490)}{445,409} = 10$
14	Keystone Bank Ltd	7,432	$\frac{(400)(7,432)}{445,409} = 7$
15	Sterling Bank	8,745	$\frac{(400)(8,745)}{445,409} = 8$
16	Fidelity Bank	26,021	$\frac{(400)(26,021)}{445,409} = 23$
17	Unity Bank	14,721	$\frac{(400)(14,721)}{445,409} = 13$
	Total	445,409	400

Source: Field survey, 2016

### 3.6 Validity and Reliability of Research Instrument

The instrument that was used to measure relationship trust, relationship bond, empathy, reciprocity and customer satisfaction, being adapted instruments, was subject to pre-testing for their validity and reliability. For instrument used, the test re-test should match the Cronbach's alpha reliability coefficient as follows: The reliability of coefficient of the adopted instruments used in the study are shown as follows in Table 3.4

Table 3.4: Reliability co-efficient of adapted instruments

Measurement	No. of Items	Cronbach Alpha
Trust	5	0.952
Empathy	4	0.949
Bonding	5	0.869
Reciprocity	4	0.895
Customer Satisfaction	7	0.524

Source: Author's Computation, (2016)

### Method of Data Analysis

The analytical approach for this study included descriptive and inferential statistical method. The descriptive statistics were mainly frequency tables while inferential statistical method was logit regression. Logit



regression analyses were used to assess the effect of trust on customer satisfaction among bank customers in Ado Ekiti metropolis; determine the effect of empathy on customer satisfaction among bank customers in Ado-Ekiti Metropolis; examine the relationship between bonding and customer satisfaction among bank customers in Ado-Ekiti Metropolis and investigate the relationship between reciprocity and customer satisfaction among bank customers in Ado-Ekiti Metropolis.

In other to have an empirical validation of the relationship between the dependent (Customer Satisfaction) and independent variables (Trust; Bonding; Empathy and Reciprocity) being examined, the model adapted from Ubani (2012) were specified as follows:

$$CS = f(TR, EMP, BON, REC)$$

$$CS = \beta_0 + \beta_1TR + \beta_2EMP + \beta_3BON + \beta_4REC + \mu \dots\dots\dots (3.1)$$

Where:  $\beta_0$  – Model Intercept;  $\beta_1 - \beta_4$  – Coefficient of the Independent Variables;  $\mu$  - Error Term; CS – Customer Satisfaction; TR –Trust; BON – Bonding; EMP – Empathy; REC- Reciprocity.

From the above relationship, using the logit regression analytical technique, the equation below was derived:

$$f(Z) = \frac{e^{\beta_0 + \beta_1TR + \beta_2BON + \beta_3EMP + \beta_4REC}}{1 + e^{\beta_0 + \beta_1TR + \beta_2BON + \beta_3EMP + \beta_4REC}} \dots\dots\dots(3.2)$$

#### 4.0 RESULTS AND DISCUSSION

**Table 4.1: Demographic Distribution of Respondents**

	Frequency	Percent
<b>No of Yrs. as Customers</b>		
0-2Years	96	26.8
2-5Years	188	52.5
6-10 Years	44	12.3
11-15 Years	28	7.8
16 Years and Above	2	.6
<b>Total</b>	<b>358</b>	<b>100.0</b>
<b>Gender Distribution</b>		
Male	143	39.9
Female	215	60.1
<b>Total</b>	<b>358</b>	<b>100.0</b>
<b>Age Distribution</b>		
18-35Years	58	16.2
36-45 Years	102	28.5
46-55 Years	123	34.4
56-64 Years	62	17.3
65 Years and Above	13	3.6
<b>Total</b>	<b>358</b>	<b>100.0</b>

**Educational Qualification**

NCE/OND	68	19.0
HND/B.Sc.	82	22.6
MBA/M.Sc.	127	35.5
Ph.D	82	22.9
<b>Total</b>	<b>358</b>	<b>100.0</b>

Source: Field Survey, (2016)

Gender distribution of respondents revealed that one hundred and forty-three (39.9%) were male while two hundred and fifteen (60.1%) were female out of the respondents. This showed that female customers that were involved in this research were more than the male counterpart in this research conducted among selected bank customers in Ado Ekiti metropolis. The age distribution of the respondents showed that fifty-eight (16.2%) of the respondents were between 18-35 years, one hundred and two (28.5%) were between 36-45 years, one hundred and twenty-three (34.4%) of the respondents were between 46-55 years, sixty-two (17.3%) of the respondents were between 56-64 years and thirteen (3.6%) of the respondents were 65 years and above. This implies that the age range between 36-55 years is more than others of the selected customers among the banks in Ado Ekiti metropolis.

Educational qualification of the respondents showed that NCE/OND holders were sixty-eight (19%), B.Sc./HND holders were eighty-two (22.6%), MBA/M.Sc. holders are one hundred and twenty-seven (35.5%), and Ph.D. holders were eighty-two (22.9%). This showed that all the selected customers have the necessary qualification and knowledge about the topic in question.

**Hypotheses testing**

**Table 4.2: Estimated examine how relationship marketing is related to customer satisfaction among bank customers in Ado-Ekiti Metropolis**

Variables	Coef.	Std. Err.	Z	P> z
Trust	0.3836	0.2917	1.32	0.189
Empathy	-1.1952	0.2878	-4.15	0.000
Bonding	-0.6458	0.3448	-1.87	0.061
Reciprocity	2.1230	0.3053	6.95	0.000
Constant	0.01982	0.3123	0.06	0.949
No. of Obs =	359			
LR chi2 (1) =	111.50			
Prob > chi2 =	0.000			
Pseudo R2 =	0.2378			
Log likelihood =	-178.69046			

Results in table 4.6 showed the estimates of the relationship among respondents' of Trust, empathy, bonding, reciprocity and customer satisfaction among bank customers. The regression analysis using logistic regression resulted to a log likelihood of the final model of -178.69046, which was used to compare nested models and to determine whether the regression coefficients of all predictors in the model were zero simultaneously. The model yielded a likelihood ratio was 111.50 with 1 degree of freedom considering that

there are four predictors in the model. The p-value of the likelihood ratio was not significant at  $\alpha = 0.949$  suggesting that relationship marketing has no effect on customer satisfaction among bank customers. The Pseudo R2 of the model is 0.2378.

The coefficient of trust are 0.3836 with  $z = 1.32$  and ( $p = 0.189 > 0.05$ ). These results showed that trust has a positive effect on customer satisfaction among bank customers and is insignificant. This implied that the banks might not be consistent and trustworthy in allowing the customers to get their money at any time. The finding is inversely related to the work of Rootman, Tait and Sharp (2011) revealed that six banking service delivery variables influence banks' relationship marketing and customer retention. Soliman (2011) found that there was a positive relationship between CRM and marketing performance. Oloko (2012) showed that positive influence of relationship marketing on the performance of commercial banks in Kenya and observed that customer loyalty and customer satisfaction positively relates to bank performance. Jesri, Ahmadi, and Fatehipoor (2013) findings indicated that components of relationship marketing have a positive and significant impact on customer loyalty. Also, Namjoyan, Esfahani, and Henry (2013) revealed that CRM influenced marketing performance. Also, it indicated that concentration on the key accounts, technology-based customer relationship management organisation have significant positive effects on the marketing performance.

The coefficient of empathy were -1.1952 with  $z = -4.15$  and ( $p = 0.000 < 0.05$ ). These results showed that empathy had a negative effect on customer satisfaction among bank customers and was significant. The implication of this is that the customers understand the need and complaint about their customers. The finding corroborates the work of Chaman, Masoumi, Moghadam, Shaabani, and Ashory (2013) results that indicated that in both banks, four relationship-bound marketing strategies have a significant and positive impact on the loyalty of customers. Al-Hersh, Aburoub, and Saaty (2014) discovered medium to high degrees of positive attributes of banks in both countries toward customer relationship marketing dimensions on customer satisfaction. Kanti and Dixit (2014) revealed that there were several measures of relationship marketing such as service quality, trust, price perceptions, complaint handling and customer satisfaction, which were responsible for the performance of service companies and concluded that relationship marketing and service delivery were the factors responsible for the performance and growth of service companies. Elkordy (2014) revealed that CRM organization was the only significant predictor of performance when all impacts were considered simultaneously.

The coefficient of bonding were -0.6458 with  $z = -1.87$  and ( $p = 0.061 > 0.05$ ). These results showed that bonding had a negative effect on customer satisfaction among bank customers and is insignificant. This indicated that bank does not give due respect and services to their customers. The finding disagreement with Vahdati, Abdolmanafi and Sarlak (2014) where results indicated that customer support and marketing support have influenced on relationship marketing among criteria for customer relationship management and also relationship marketing has an impact on business performance. Opuni, Opoku, and Oseku-Afful (2014) found that relationship marketing had a positive and significant effect on service quality and customer satisfaction. Olotu, Maclayton, and Opara (2010) found that RMO practices and dimensions positively and significantly correlate with business performance. Agundu and Olotu (2011) using Spearman rank order correlation examined the impact of corporate relationship marketing across 24 recapitalized banks as pronounced by Central Bank of Nigeria. The study found that bonding, shared value, and reciprocity have a significant influence on market share, customer retention, and cost reduction.

The co-efficient of reciprocity were 0.0198 with  $z = 6.95$  and ( $p = 0.000 < 0.05$ ). These results showed that reciprocity has a positive effect on customer satisfaction among bank customers and is insignificant. The implication of this is that the banks do not look out for the interest of their customers other than what will benefit the bank. The finding disagreed with the work of Minami and Dawson (2008) revealed that CRM implementation had a direct effect on return on equity (ROE) and relationship orientation has a positive effect on CRM implementation. Also, the study put forth that customization had a negative impact on ROE. Kyckling (2010) showed that marketing-sales relationship did not affect business performance. Coltman, Devinney, and Midgley (2011) result revealed a positive and significant path between superior CRM capability and firm performance. Ata and Toker (2012) results indicated that CRM adoption has a significant

positive effect on both customer satisfaction and organisational performance. Also, CRM adoption was found to affect organisational marketing performance significantly, but not financial performance. Fagbemi and Olowokudejo (2013) investigated whether CRM was a correlate of organisational performance in banks. The descriptive statistics result showed that customer-focused services, information, and communication technology, complaints management, high-quality services, timeliness in service delivery, security of money, friendliness of employees, ease of opening account, competitive charges on services, availability of credit were CRM strategies used in banks and confirmed there was a positive relationship between CRM and organisational performance.

## 5.0 CONCLUSION AND RECOMMENDATIONS

### Conclusion

In contrary to traditional marketing, relationship marketing approach looks for building such supportive long-term relations. By studying this research on relationship marketing, four variables including trust, bond, empathy and reciprocity relations are considered as the foundations of relationship marketing, and their associations with customer satisfaction in Nigeria are analyzed. The findings show that in terms of priority, Reciprocity, trust, bonding, and empathy with customer satisfaction from banking services insignificant.

The results indicated that the trust attributes of customer relationship marketing through some of the banks has good integrity and goodwill, but some of their staff do not have good integrity and quality service. Results indicated that the study empathy attributes are negative which means banks do not understand their customers' needs and expectations until they are told, regarding fulfilling promises as a dimension of customer relationship marketing on customer satisfaction in the banking industry. The implication of bonding attributes is positive, which signifies that bank employees give a sense of belonging and also maintain a good relationship with customers also, results indicated that reciprocity of the banks treat their customers well and also looks out for the interest of their customers.

### Recommendations

The following recommendations were made to help improve the services rendered to customers by the Nigerian banking industry:

- i. It recommended that banks in Nigeria need to greatly improve on their practice of relationship marketing in order to deliver customer satisfaction in all levels most especially in this era of high competition and to determine their banking services proportionate to customers' needs and expectations by identifying customers' needs and expectations.
- ii. In addition, establish information units in their branches and website so that customers can achieve full information on their services and can resolve their problems through these units which can lead into customers' trust to the bank and ultimately to their satisfaction.
- iii. On the other hand, indicate the crucial role of links in building effective trading relations.
- iv. Therefore, banks' managers are recommended to organize customer relationship courses for their staff in order to train them on how to relate to their customers.
- v. The banks' strategic policies and core values should be focused on the elements of relationship marketing, rather than on the policy that would yield no result.

### REFERENCES

- i. Aaltonen, P., Markowski, E.P. & Kirchner, T.A. (2008). *Relationship marketing management and satisfaction/loyalty: effects of gender, age and income. European journal of management*, 8(3), 159-181.
- ii. Adeyeye, T.C. (2013). *Impact of customer relationship management on perceived bank performance in Oyo town, Nigeria. International business and management*, 6(2), 137-146.

- iii. Agundu, P.U.C. & Olotu, O.A.O. (2011). *Corporate relationship marketing in developing economies: sustainability tonic for Nigerian banks*. *African research review*, 5(2), 72-86.
- iv. Al-Hersh, A.M., Aburoub, A.S. & Saaty, A.S. (2014). *The Impact of Customer Relationship Marketing on Customer Satisfaction of the Arab Bank Services*. *International Journal of Academic Research in Business and Social Sciences*, 4(5), 68-100.
- v. Ata, U.Z. & Toker, A. (2012). *The Effect of Customer Relationship Management Adoption in Business-to-Business Markets*. *Journal of Business & Industrial Marketing*, 27(6), 497-507.
- vi. Bagdonieni, L. & Jakstaite, R. (2009). *Trust as basis for development of relationships between professional service providers and their clients*. *Economics and management*, 14, 23-34.
- vii. Berry, L.L. & Parasuraman, A. (2002), *Marketing services: competing through quality*, free press, New York, NY.
- viii. Callaghan, M., Mcphail, J. & Yau, O.H.M. (1995, July). *Dimensions of relationship marketing*. *proceedings of the seventh biannual world marketing congress, Melbourne*, 10-65.
- ix. Chaman, F., Masoumi, S.R., Moghadam, N.S., Shaabani, F. & Ashory, P.A. (2013). *The survey effect of relationship marketing strategies on customer loyalty: a case study of comparison between a private and government owned bank*. *African journal of business management*, 7(3), 164-171.
- x. Chattananon, A., & Trimetsoontorn, J. (2009). *Relationship marketing: a Thai case*, *International journal of emerging markets*, 4(3), 252-274.
- xi. Chirica, C. (2013). *Relationship marketing – best practice in the banking sector*. *Academy of economic studies*, 15(33), 288-300.
- xii. Coltman, T.R., Devinney, T.M. & Midgley, D.F. (2011). *Customer relationship management and firm performance*. *Journal of information technology*, 26(3), 205-219.
- xiii. Conway, T. & Swift, J.S. (2000). *International relationship marketing – the importance of psychic distance*. *European journal of marketing*, 34(11/12), 1391-1413.
- xiv. Cross, R. dan Smith, J. (1996). *Customer bonding: 5 steps to lasting customer loyalty*. *Lincolnwood: NTC Business Book*.
- xv. Day, G. S. (1969). *A Two-dimensional concept of brand loyalty*. *Journal of advertising research*, 9, 29-36.
- xvi. Doloreux, C. Dan Muller, F. (2007). *The key dimensions of knowledge-intensive business services (KIBS) analysis: A decade of evolution*. *Working papers firms and region*, u1/2007.
- xvii. Elkordy, M. (2014). *The impact of CRM capability dimensions on organisational performance*. *European journal of business and social sciences*, 2(10), 128-146.
- xviii. Fagbemi, A.O. & Olowokudejo, F.F. (2013). *Customer relationship management as a correlate of organisational performance in Nigerian banks*. *Marketing management*, 56, 13547-13555.
- xix. Gronroos, C. (2004). *The relationship marketing process: Communication, interaction, dialogue value*. *Journal of Business and Industrial Marketing*, 19(2), 99-113.
- xx. Gounaris, S.P. (2005). *Trust and commitment influence on customer retention: Insights from business- to-business services*. *Journal of Business Research*, 58(2), 126-140.
- xxi. Jaakkola, E. & Halinen, A. (2006). *Problem solving within professional services: evidence from the medical field*. *International Journal of Service Industry Management*, 17(5), 409-429.
- xxii. Jesri, P., Ahmad, F. & Fatehipoor, M. (2013). *Effects of relationship marketing (rm) on customer loyalty (case study: Mehr Bank, Kermanshah Province, Iran)*. *Interdisciplinary journal of contemporary research in business*, 4(11), 304-312.
- xxiii. Kanti, T. & Dixit, S. (2014). *Impact of relationship marketing on the performance of service companies: an empirical study of NCR*. *IOSR Journal of Business and Management*, 16(1), 44-53.
- xxiv. Kotler, P., Wong, V., Saunders, J. & Armstrong, G. (2005). *Principles of marketing (4<sup>th</sup> edition)*. Harlow: Pearson Education Limited.
- xxv. Lam, S.Y., Shankar, V., Eramilli, M.K. & Murthy, B. (2004). *Customer value, satisfaction, loyalty and switching costs: An Illustration from a business- to- business service context*. *Journal of the academy of marketing science*, 32(3), 293- 311.
- xxvi. Lee, Y.-W., & Bellman, S. (2008). *An augmented model of customer loyalty for organizational purchasing of financial services*. *Journal of business-to-business marketing*, 15(3), 290-322.

- xxvii. Minami, C. & Dawson, J. (2008). *The CRM process in retail and service sector firms in japan: loyalty development and financial return. Journal of Retailing and Consumer Services*, 15, 375-385.
- xxviii. Morgan, R.M. & Hunt, S.D. (1994). *The commitment-trust theory of relationship marketing. The journal of marketing*, 58(3), 20-38.
- xxix. Murphy, P.E., Laczniak, G.R. & Wood, G. (2007). *An ethical basis for relationship marketing: a virtue ethics perspective. European Journal of Marketing*, 41(1/2), 37- 57.
- xxx. Namjoyan, M., Esfahani, A.N. & Haery, F.A. (2013). *Studying the effects of customer relationship management on the marketing performance (Isfahan Saderat Bank as a Case Study). International journal of academic research in business and social sciences*, 3(9), 302-314.
- xxxi. Ndubisi, N.O. & Chan, K.W. (2005). *Factorial and discriminant analyses of the underpinnings of relationship marketing and customer satisfaction. International journal of bank marketing*, 23(3), 542-557.
- xxxii. Ndubisi, N.O. (2007). *Relationship marketing and customer loyalty. Marketing intelligence & planning*, 25(1), 98-106.
- xxxiii. Oloko, M. (2012). *Influence of relationship marketing on performance of commercial banks in Kenya. Educational research journal*, 2(2), 37-42.
- xxxiv. Olotu, A.O., Maclayton, D.W. & Opara, B.C. (2010). *An empirical study of relationship marketing orientation and bank performance. Research journal of international studies*, 16, 47-57.
- xxxv. Opuni, F.F., Opoku, E. & Oseku-Afful, M. (2014). *The Effect of relationship marketing on service quality and customer satisfaction in the hospitality sector in Ghana: The moderating role of service providers' emotional intelligence. British journal of marketing studies*, 2(6), 1-16.
- xxxvi. Palmatier, R. W., Gopalakrishna, S. & Houston, B. M. (2006). *Returns on business-to business relationship marketing investmenst: strategies for leveraging profits. Marketing Science*, 25(5), 477-493.
- xxxvii. Raines, K. (2005). *A Picture of customer retention in the UK performing arts: The answer to a funding dilemma? United Kingdom: DixonRaines Limited.*
- xxxviii. Rootman, C., Tait, M. & Sharp, G. (2011). *Relationship marketing and customer retention: lessons for South African banks. Southern african business review*, 15(3), 184-206.
- xxxix. Rust, R.T., Zeithaml, V.A. & Lennon, K.N. (2000). *Driving customer equity: how customer lifetime value is reshaping corporate strategy. New York: The Free Press.*
- xl. Shaker, T.I. & Basem, Y.A. (2010). *Relationship marketing and organisational performance indicators. European journal of social sciences*, 12(4), 545-557.
- xli. Sheth, J.N. (1992, April). *Toward a theory of relationship marketing. presentation at the research conference on customer relationship management: theory and practice held at Emory University.*
- xlii. Sin, L.Y.M., Tse, A.C.B., Yau, O.H.M., Lee, J.S.Y. & Chow, R. (2002). *The effect of relationship marketing orientation on business performance in a service-oriented economy. Journal of services marketing*, 16(7), 656-676.
- xliii. Soliman, H.S. (2011). *Customer relationship management and its relationship to marketing performance. International journal of business and social science*, 2(10), 166-182.
- xliv. Taleghani, M. Gilaninia, S. & Mousavian, S.J. (2011). *The role of relationship marketing in customer orientation process in the banking industry with focus on loyalty (case study: banking industry of Iran). International Journal of Business and Social Science*, 2(19), 155-166.
- xlv. Trimetsoontorn, J. & Chattananon, A. (2004). *The Impact of relationship marketing on business performance across the steel pipe industry in Thailand. AU Journal of management*, 2(2), 35-43.
- xlvi. Trimetsoontorn, J. & Chattananon, A. (2009). *Relationship marketing: a Thai case. International journal of emerging markets*, 4(3), 252-274.
- xlvii. Vahdati, Z., Abdolmanafi, S. & Sarlak, A. (2014). *Investigating the impact of customer relationship management on relationship marketing and business performance. International journal of economy, management and social sciences*, 3(8), 425-430.
- xlviii. Wang, C.L., (2007). *Guanxi vs. relationship marketing: Exploring underlying differences. Industrial marketing management*, 36, 81 – 86.

- xlix. Wilson, D.T. & Mummalaneni, V. (1986): *Bonding and commitment in buyer–seller relationships: a preliminary conceptualisation*. *Industrial marketing & purchasing, Bradford*, 1(3), 44-58.
- l. Wilson, D.T. (1995). *An integrated model of buyer–seller relationships*. *Journal of the academy of marketing science, greenvale*, 23(4), 335-345.
- li. Wilson, D. & Momalaneni, D. (1986). *On Grice’s theory of conversation*. In P. Werth (ed.)
- lii. Zeithaml, V. (1981). *How consumer evaluation processes differ between goods and services*. In: Donnelly, J.H., George, W.R. (eds.) *marketing of services: AMA special conference, American Marketing Association, Orlando, FL*.
- liii. Zeithaml, V.A, Mary Jo, B., Dan-Dwayne, D.G. (2009). *Services marketing: Integrating customer focus across the firm*. *Mc. Graw Hill*.
- liv. Zeithaml, V.A., Bitner, M.J., & Gremler, D.D. (2006). *Services marketing: integrating customer focus across the firm*. *Boston: McGraw-Hill*.