ABSTRACT

This study examined the association between relationship establishment and performance of selected deposit money banks in Imo State, Nigeria. The study adopted a survey approach whereby structured research questionnaires were distributed to staff of five major deposit money banks in Owerri metropolis of Imo State. These banks are: First Bank Limited, United Bank for Africa (UBA) Plc, Guarantee Trust Bank (GTB) Plc, Access Bank Plc, and Zenith Bank Plc. The population of the study was 600 but a manageable sample size of 234 was considered adequate based on Krejcie and Morgan sample size determination criterion. The study adopted systematic random sampling technique. The data generated for the study were exposed to demographic, descriptive and regression analyses. Formulated hypotheses were tested using student t-test at 5% level of significance. It was revealed that a significant positive correlation exists between relationship establishment and customer acquisition as well as customer retention; while relationship establishment exerts a negative insignificant relationship with market share of the study banks. Hence, establishment of bank-customer relationship alone is not enough to guarantee returns. The recommendation therefore follows that there is need to nurture and protect the relationship in order to avoid losing a customer to competitors in the industry. Again, the mismanagement of one customer can discourage so many potential customers from patronizing a bank. Nevertheless, given that the cost of creating a new relationship far outweighs the cost of maintaining an existing relationship, it is imperative that to save cost and enhance profitability, all relationship marketing policies in the banking industry should be geared towards ensuring that customers are given their pride of place in the scheme of things. Additionally, banks should come up with better ways of protecting customers’ interest especially from external intruders such as electronic fraudsters who specializes in diverting customers’ money to themselves. This protection should demand for individual relationship with customers and putting in place stringent measures to ensure the safety of deposits under their care.

Key Words: Relationship Establishment, Performance, Deposit Money Banks, Customer Acquisition, Customer Retention and Market Share.
Introduction

According to Sheth and Kellstadt (2002), stiff competition in the global market and dynamic changing external business environment has necessitated companies to adopt relationship marketing in order to establish, maintain and enhance relationships with customers and other parties at a profit so that the objectives of the parties involved are met. When the relationship is established between the customer and the company, brand loyalty is created from the customer's repeat purchase and this translates to more profit to the company hence the firms overall performance. The application of relationship marketing in the financial industry requires banks and other related firms to adopt effective related practices towards performance. Doyle and Stern (2006) define relationship marketing as a long-term continuous series of transactions between parties which occurs when each trusts the other to deal fairly, reliably and helpfully. Relationship establishment has therefore emerged as a popular new paradigm due to shift in focus from customer acquisition to customer retention.

Following increased competition, today's companies are beginning to understand the value that customers, rather than the value the products generate for them. To retain these customers banks strive to develop meaningful relationships with key customers and more so to manage those customer relationships more proactively. Generally, relationship marketing therefore attempts to create a more holistic, personalized brand experience to create stronger customer ties. Kottler, Keller and Koshhy (2009) found out that a number of companies are today shaping separate officers, services and messages to individual customers based on information about past transactions, demographics, psychographics and media and distribution preferences. For deposit money banks, return on equity reflects their performance in terms of their capacity to generate sustainable profit. Profitability is a bank’s first line of defense against unexpected losses, as it strengthens its capital position and improves future profitability through the investment of retained earnings.

However, given that the financial service industry has recently been witnessing serious changes and great competition, occasioned by new regulations, change in consumer behavior; increase in the usage of information and communication technology and the ever present need to satisfy shareholders, there is need to ensure that customers are satisfied. Banks have to create and support the development of long-term customer relationships that offers a superior value than that of the banking product itself through greater effort. As such, a lot of financial, technological and human resources is being invested into customer relationship
marketing (CRM) by banks (Jugovi, Petrovic and Kostic-Stankovic, 2015); and this starts with establishing a cordial relationship with customers.

**Statement of the Problem**

Confidence is what propels and keeps a bank in business, and since confidence is the cornerstone on which banking is built upon, it follows then that the greatest and the worst risk facing a bank in its operation is loss of confidence. If depositors and the general public lose confidence in the ability of a bank to discharge its obligations, it may cease to exist. This puts the issue of good bank-customer relationship at the forefront of banking business in order to be profitable, solvent and liquid. Regrettably, establishing a relationship with customers remains a task that most banks in Nigeria still struggle to contend with. In fact, considerable research studies have been done to ascertain how and the extent to which relationship marketing (including relationship establishment) affects the performance of banks. Such studies include but not limited to Ojiaku, Obinna, Aghara, Vincent and Ezeoke (2017); Bolanle and Emmanuel (2016); Akintunde and Akaighe (2016); and Eze (2015).

Nevertheless, previous studies specifically focused on relationship establishment and bank performance proxies such as customer acquisition, customer retention, and market share. A good number of previous attempts by scholars centred on relationship marketing and (accounting) profitability ratios. The current study emphasizes on the impact of relationship establishment and (marketing) performance variables. Other gaps identified in previous studies include the fact that none of the studies used all tier-one banks in Nigeria, and no study of this magnitude has been carried out on deposit money bank customers and employees in Owerri urban of Imo State, Nigeria. This study will fill these gaps by examining the relationship between relationship establishment and performance of selected Nigerian banks in Owerri urban, Imo State, Nigeria.

**Objectives of the Study**

The objective of this study is to ascertain the effect of relationship establishment on performance of selected deposit money banks (DMBs) in Imo State, Nigeria. The specific objectives are to:

i. determine the extent to which relationship establishment has affected customer acquisition of selected deposit money banks in Imo State;
ii. ascertain the effect of relationship establishment on customer retention of selected deposit money banks in Imo State;

iii. examine the relationship between relationship establishment and market share of selected deposit money banks in Imo State.

Research Questions

This work is guided by the following research questions:

i. To what extent has relationship establishment affected customer acquisition of selected deposit money banks in Imo State?

ii. What is the effect of relationship establishment on customer retention of selected deposit money banks in Imo State?

iii. What is the relationship between relationship establishment and selected deposit money banks’ market share in Imo State?

Research Hypotheses

The following null hypotheses were tested in this work:

\( H_01: \) Relationship establishment has not significantly affected customer acquisition of selected deposit money banks in Imo State.

\( H_02: \) Relationship establishment has no significant effect on customer retention of selected deposit money banks in Imo State.

\( H_03: \) There is no significant relationship between relationship establishment and selected deposit money banks’ market share in Imo State.

Scope of the Study

This work looked at relationship establishment as one of the components of relationship marketing and its association bank performance. Accordingly, emphasis was on selected deposit money banks in Owerri urban of Imo state. These banks are: First Bank Limited, United Bank for Africa (UBA) Plc, Guarantee Trust Bank (GTB) Plc, Access Bank Plc, and Zenith Bank Plc. The place of these banks in the Nigerian banking sub-sector informed their selection.
Literature Review

Conceptual Review

Relationship Establishment

Relationship in marketing and business is defined as the procedure by which each customer comprehensive “touch point” information is being cautiously handled in order to maximize customers’ loyalty (Kotler and Keller, 2009). From a service marketing perspective, Grönroos (2000) maintained that “a relationship develops when a customer perceives that there is a reciprocated way of thinking between him or her and the seller or service provider”. Walsh, Gilmore, and Carson, (2004) views relationship marketing in form of “the activities performed by banks in order to attract, interact with, and retain more profitable or high net-worth customers”. With regards to the aforementioned definition, it can be concluded that relationship marketing is out to increase the profitability of service providers’ and synchronously, offering consumers, better services. Relationship marketing can help to reduce cost since it aids the understanding of customers need which leads to customer loyalty. It has been revealed in research that a firm spends less in serving a loyal customer than in attracting and serving a new one (Ndubisi, 2004). Rashid (2003) opined that customer could derive the following benefits from relationship marketing:

1. **Confidence:** Lessens nervousness, trust in a product or service provider, and a sense of reliability towards the provider.
2. **Social benefits:** Individual recognition by employees, customers’ sense of familiarity with employees, the development of attachment with employees.
3. **Special treatment:** Additional services, special prices, higher precedence than other customers.

As such, with respect to the advantages of relationship marketing from the organizational perspectives, it permits organizations to retain customers and also increase profitably and cut costs of purchase. Some of the reasons why organizations invest in building customer relationship comprises of access to useful information about the need and want of customers (Ndubisi, 2004). Effective relationship marketing aids the expansion of business in organizations. Stone et al. (2000) stated that a satisfied customer can become strong promoter of a company’s products or services. Any newly attracted customer through organizational reputation would probably bring faster revenue to the business. The benefit of employing
relationship marketing in retail banking services includes: (i) improved consumer loyalty (ii) consumers benefits (iii) enhanced promotion of complementary services (Arturo, Cobertizo, Pedro and David, 2007). Likewise, the customers expect extra services from their banks by sustaining long term relationships in the form of getting good service, social benefits, assurance and special dealing (Gwinner, Gremler and Bitner, 2008). They included that these kinds of benefits are the key things that could motivate customer in developing a long-term relationship with the bank. San Martin, (2005) described three elements that increase interpersonal profits in the affiliation amongst consumers and service providers, relationship with the trademark, interpersonal relationships, and company relationships:

i. Relationship with the trademark: Consumers look out for precise trademark characteristics like trust and project their feelings onto the trademark (loyalty).

ii. Interpersonal relationships: it is imperative to put into consideration the emotive element, which may generate persuasive variables like trust and commitment.

iii. The level of relationships: it is not easy to unraveling the various relationship levels for financial businesses because the establishment, the staff, and the services belong to unified unit.

Relationship marketing has the following significant dimensions: trust, commitment, bonding, empathy, reciprocity, fulfillment of promise, communication and handling of conflicts. But for the purpose of this study, only trust and commitment will be discussed as it is the major focus for the research.

Customer Acquisition

According to Tangaza (2017), a high level of consistency among managers suggests that banks identify customers based on their needs and establish banking relationships with them. Some customers were identified as a group and banks adopt strategies that allow acquisition of such customers in large number. Due to its prominence in relationship initiation, banks set up a team of marketers in branches to implement this strategy of customer identification and acquisition. Consistent views acknowledge that each branch sets aside a day or two for “market storming”. The marketing team selects a place to visit, usually where potential customers are concentrated. Places like open markets, where small traders who earn a very small income gather and meet with potential buyers, and transact buying and selling activities, are targeted by the marketing team; sometimes they visit other public places like
offices, schools and similar places where marketers expect to find new potential customers who fall within this bracket of income.

Due to nonchalant attitudes and the existence of traditional banking methods (Beck and Cull, 2013, Wale, et al., 2017), banks have to identify those that are willing to bank and bring them into the formal banking system. Therefore, banks engage in mass marketing and selling of product to attract even less profitable ones. Banks engage in customer identification through the human effort of its staff. Banks identify the customers based on their knowledge level and spending level, and hence identify them based on a product that can lure them to the bank.

Customer Retention

Customer retention refers to customer repeat purchase of a company’s products over a long period of time (Petzer, Steyn & Mostert, 2009). It means establishing and sustaining a long-lasting relationship with the customer so that the customer surrenders his/her lifetime value. In the banking sector, the key indicators of customer retention according to Mahapatra, et al. (2020) are product and service prices, customer service and customer relationship management. The study conducted by Mensah and Moongela (2017) at the Peoples’ Bank of Namibia revealed that the major factors that influence customer retention include fees, length of banking hours, absence of incentives/discounts, and the attitude of bank staff. The banking industry is highly competitive, with banks not only competing among each other but also competing with non-banks and other financial institutions (Hull, 2002). Most bank product developments are easy to duplicate and when banks provide nearly identical services, they can only distinguish themselves on the basis of service charge and quality of service. Thus, customer retention is potentially an effective tool that banks can use to gain a strategic advantage and survive in today’s ever-increasing banking competitive environment.

Market Share

O’Regan (2002) defines market share as a company’s sales in relation to total industry sales for a certain period. Pearce and Robinson (2003) also use the same definition that market share is sales relative to those of other competitors in the market. Market share is usually used to express competitive position. It is also generally accepted that increased market share can be equated with success whereas decrease market share is a manifestation of unfavorable actions by firms and usually equated with failure. The most common explanation as to why market share leads to higher profitability are higher economies of scale, experience and
market power (Buzzel, 2004). The relationship between market share and profitability continues to be a critical research issue in business strategic management in the world. There is growing pressure to make the right decisions quickly and one of the challenges facing managers is how to increase business profits in the competitive business world today.

**Relationship Marketing in the Banking Sub-Sector**

Banking is a tailored service-oriented industry and hence should provide services which accurately suits customers need. Bankers are therefore, expected to forestall, recognize, design, deliver and lastly satisfy customers need in an effective and efficient way. In the banking industry, quality services delivery is the main influence that can be used to create a very strong customer relationship. The quality of services offered determines the level of customer satisfaction generated to a reasonable extent. Inversely, customers are dissatisfied and disloyal if the quality of services provided is poor.

There are so many challenges in the banking sector like regular update of knowhow, rural marketing, educating customer and creating awareness, retaining good hands and gaining customers’ loyalty. However, these challenges can be overcome through designing an active marketing strategy that employs competitive advantage to overcome stiff competition and also deliver maximum customer satisfaction. Manoj (2015) states that in this present time banking sector, bank products marketing is now very important for the survival of banks. According to Agrawal (2017), banking is a customer oriented subdivision in the service industry. Therefore, offering a tailored service to enhance customer satisfaction is essential in order to be able to stand competition. The importance of relationship marketing in banking sector was further emphasized on by Mahapatra and Kumar (2017), who opine that in retaining customers in this era of competition, customer centric approach is a requirement. It is very essential for firms to build a quality relationship with customers in order to increase loyalty.

**Theoretical Review**

**Stakeholder Theory**

This theory was developed by Donaldson and Preston (1995). It states that organizations are not just in existence solely to maximize shareholders value but also to guard the interest of variety of stakeholders whose adverse responses may have adverse effect on the survival of the establishment. These stakeholders are: customers, suppliers, employees, host
communities, creditors/lenders and even the government. Stakeholder theory therefore maintains that customers are the life wire of every establishment because without them, revenue cannot flow, which is the only reason organizations exist. To be able to maximize shareholders value, firms have to maintain a good relationship with customers who are actually the main means of generating income and the motive behind companies’ existence. That means no customer, no firm. Banks have variety of ways to protect customers’ interest especially from external intruders such as electronic fraudsters who specializes in diverting customers’ money to themselves. This protection demands for individual relationship with customers and putting in place stringent measures to ensure the safety of deposits under their care. When a customer’s interest is protected, he continues to buy the product or services of the bank and also, recommend it to others. The mismanagement of one customer can discourage so many potential buyers from patronizing (Andersen, 2012).

The Social Exchange Theory

This theory was based on the works of Homans (1974) and is widely seen as one of the most important conceptual paradigms in organizational behaviour. This theory gave a suggestion that to be an active competitor in the universal economy; one is required to be a trusted co-operator in some networks. Also, commitment and trust are the main arbitrating variables because they encourage exchange partners to preserve relationship investments, reject attractive short-term substitutes, and uphold the credence that partners will not behave unscrupulously. As business partners interrelate with each other regularly, trust may develop (Imouokhome, Adegbola, Abdulraheem and Bello, 2020).

Empirical Review

Imouokhome, Adegbola, Abdulraheem and Bello (2020) evaluated the effects of relationship marketing as a sustainable tool for enhancing customer satisfaction, using customers of Guarantee Trust Bank PLC branches in Ilorin, Nigeria as the study organization. The population of the study comprised of the bank customers in Ilorin, Kwara State. They used primary data through self-administered questionnaire. Regression and correlation techniques were adopted in the study and results revealed that commitment in relationship marketing has a significant effect on customer satisfaction. It also revealed trust in relationship marketing has a significant effect on customer loyalty. In essence, this connotes that a better relationship with customers in the banking industry will yield positive result on customer satisfaction and
loyalty and vice versa. Hence, relationship marketing has significant impact on customer satisfaction.

Ojiaku, Obinna, Aghara, Vincent and Ezeoke (2017) examined the association between relationship quality and customer loyalty. They precisely investigated on the influence of trust, satisfaction and commitment which are components of relationship management on customer loyalty; and as well to determine the effect of the relationship marketing program adopted by pension firms on in Nigeria on customer loyalty. They administered questionnaire to 354 respondents in the in the industry. From the data generated, hypothesis was tested using regression analysis, aided by statistical package for social sciences (SPSS), version, 21. Results of the estimated parameters showed that customer trust and satisfaction affect customer loyalty. It also showed that relationship marketing significantly affects loyalty.

Bolanle and Emmanuel (2016) also examined the impact of relationship marketing on customer satisfaction. Unconventionally, they used undergraduate students in a private university in Oyo State, Nigeria as a case study. Research questionnaire was employed as a research instrument in generating data from the students. Pearson product moment correlation and multiple regression analyses were used for data analyses. Student t-test technique was adopted in hypotheses testing at the conventional 5% level of significance. Test result revealed that relationship marketing has a significant effect on customer satisfaction.

Eze (2015) carried out a disaggregated analysis on the effectiveness of relationship management in predicting the behaviour of customers in terms of brand loyalty, customer satisfaction and repeat purchase in the telecommunication industry. The study focused on MTN and Glo users in Gboko, Benue state. The population of the study was infinite, which prompted the use of infinite sample size determination technique, which put the sample size at 1500. Personal interview and research questionnaire were the research instruments used. Generated data were exposed to descriptive, correlation and regression analysis. Joint and individual tests of statistical significance were carried out at 5% level of significance. Results revealed that relationship management has a positive and significant relationship with brand loyalty and customer satisfaction. However, relationship management has an insignificant effect on repeat purchase. The goodness of fit test revealed that relationship management has a collective impact of 81.7% on brand loyalty, customer satisfaction and repeat purchase.

Nwaeze, Anetor and Egwu (2016) investigated the impact of marketing of banking services on the profitability of Nigerian banks for the period 1990-2013. They adopted earnings before
tax and interest (EBIT) as a proxy for bank profitability while demand, time and savings deposit were adopted as measures of marketing banking services. For these variables, data were sourced from Central Bank of Nigeria (CBN) statistical bulletin, 2013 edition; and financial statements of the selected banks. Ordinary Least Square (OLS) technique involving multiple regression analysis was used in the study to establish the relationship between marketing of banking services and profitability. The analytical process was aided by SPSS statistical software, version 21. The empirical results showed that demand deposit has an insignificant impact on the profitability of Nigerian banks while both time and savings deposits exerted significant impacts on bank profitability.

Akintunde and Akaighe (2016) adopted a strategic method in assessing customer relationship management (CRM) and customer retention in Nigeria Banking Industry. Quantitative research method was adopted and a sample size of 420 relationship management personnel and marketers were surveyed using stratified random sampling technique. In analyzing the data obtained from the field survey, Pearson correlation analysis was employed and presented in hierarchy correlation matrices, showing the mean, standard deviation and inter-correlations of the variables, with the aid of statistical package for social sciences (SPSS 21.0). Result established a positive significant relationship between CRM and customer retention. Also, CRM in the banking industry is imperative for capital adequacy, earnings, profitability and liquidity.

Olayiwola, Cole Dba, Kajola and Ita (2018) carried out an empirical investigation on relationship marketing and customers’ satisfaction of Guaranty Trust Bank (GTB) Plc. Relationship marketing was disaggregated into organizational competence, trust and communication. The study adopted a case study approach as a total number of 360 respondents were selected across branches of Guaranty Trust Bank within Lagos metropolis, to complete a structured questionnaire. A total number of 310 copies were retrieved, but 250 were found useful. Statistical Package for Social Sciences was used to organize the data. Simple percentage was used for the bio-data and frequency counts, while Pearson correlation and multiple regressions were used to test the hypotheses of the study. The study found a positive and significant relationship between relationship marketing and customers’ satisfaction. Also, relationship variables, organizational competence, trust and communication were observed to be significant predictors of customer satisfaction.
Ruswanti and Lestari (2016) evaluated the effect of relationship marketing towards customers’ loyalty, mediated by relationship quality in Priority Bank in Niaga, Indonesia. Their objective was to analyze the influence competence, communication, and conflict handling towards relationship quality, mediated by relationship quality, and towards customer loyalty. The research was conducted by collecting quantitative data through questionnaires distributed to 130 respondents. The objects of the research were customers at Priority Bank, Niaga, and they used purposive sampling technique to obtain a reasonable and manageable sample size. The data generated for the study were analyzed using Structural Equation Model method. Results as such showed that relationship marketing which consists of competence component, communication, and conflict handling have significant influence and positively towards relationship quality, partially and simultaneously; relationship marketing have significant influence and positively towards customer loyalty which is mediated by relationship quality; and relationship quality have significant influence and positively towards customer loyalty.

**Methodology**

**Research Design**

Survey research design was employed in this study since it is cost effective, useful in describing the characteristics of a large population, flexible, dependable and as the units of analysis in this study are individuals.

**Sources of Data**

This data was majorly sourced via structured research questionnaires.

**Sampling Design**

The sample design of this study consists of sampling unit, sample size, sampling procedure and sampling method adopted. These are captured below;

**Sampling Unit**

The sampling unit or elements of this study are staff of all branches of five deposit money banks in Owerri Urban of Imo State, Nigeria. These banks are: First Bank of Nigeria Limited, United Bank for Africa (UBA) Plc, Guarantee Trust Bank (GTB) Plc, Access Bank Plc, and Zenith Bank Plc. A collection of all staff of these banks constituted the population of our
study. Summation of the data given by the Human Resource Department of these five banks pegged the population of this study at six hundred (600).

**Sample Size**

Since the proposed population of the study is a finite, the Krejcie-Morgan (1970) sample size determination technique was used to obtain a management sample size for the study. The formula for this technique is given as:

$$S = \frac{X^2NP(1-P)}{d^2(N-1)+X^2P(1-P)}$$

Where:

- $S$ = Required Sample Size
- $X^2$ = Table value of Chi-Square for 1 degree of freedom at the desired confidence Level
- $N$ = Population Size
- $P$ = Population Proportion
- $d$ = Degree of Accuracy expressed as a proportion

However, from Appendix 1, given that the population size ($N$) of the study is 600 (six hundred), the sample size ($S$) for this study was 234 (two hundred and thirty-four). This represents 39 percent of the population size, which is justified. This is because according to Maddala (2012), and Anyiwe, Idahoa and Ibeh (2013), the minimum percentage of samples that can be selected out of any given population that is less than a thousand (1000) is 20 percent. Since the population is 600 and 234 sample represent 39%; 39% is good and appropriate for the population under consideration.

**Sampling Procedure**

In other to avoid bias from the sample selection, stratified random sampling technique was used. Here, the population was first divided into five homogeneous groups (based on name of bank) called strata, and then random selection was made within each bank. Accordingly, about 47 staff were picked from each of the five banks.
**Sampling Method**

The said forty-seven (47) staff from each of the five banks were reached via a research questionnaire that was submitted by hand by the research. This was as a result of proximity as each of these banks is situated in Owerri Metropolis of Imo State, Nigeria.

**Method of Data Analysis**

In order to achieve the objectives of this study, Ordinary Least Square (OLS) regression technique was used to analyze the data that was collected for the study using research questionnaire. These data in the first place was quantified via coding which was in line with a 5-point Likert scale of 1 to 5. The use of OLS technique is down to the fact that it is said to be the best, linear, unbiased, sufficient and efficient estimator. Hence, its estimates are free from bias. The estimation process was aided by a software called SPSS, version 21. The procedure as such covered: demographic, descriptive, regression analyses, Student’s t-test, etc. The individual test helped us to determine the individual significance of the explanatory variable (relationship establishment) of our model and to test the hypotheses formulated in this study.

**Model Specification**

To capture the relationship between relationship establishment and performance of banks, three regression models were adopted and these models were specified as thus;

Model 1:

\[ CUA = a_0 + b_1RES + e \] \hspace{1cm} \text{3.2}

Model 2:

\[ CUR = a_0 + b_1RES + e \] \hspace{1cm} \text{3.3}

Model 3:

\[ MAS = a_0 + b_1RES + e \] \hspace{1cm} \text{3.4}

Where:

CUA = Customer Acquisition

CUR = Customer Retention
MAS = Market Share
RES = Relationship Establishment
\( f \) = Functional notation
\( a_0 \) = Intercept of the model
\( b_1, b_2, b_3 \) = Coefficients of the explanatory variables
\( e \) = Error term of the models

Data Presentation and Analysis

Presentation of Data

The data generated for this study were inputted into SPSS statistical software to generate the empirical results analyzed hereunder.

Data Analyses

Demographic Analysis

This covered the dimensions and dynamics of the respondents who participated in the study as thus:

Table 4.1: Distribution of Returned Questionnaires.

<table>
<thead>
<tr>
<th>Questionnaire</th>
<th>Selected Deposit Money Banks</th>
<th>Total</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>First</td>
<td>UBA</td>
<td>GTB</td>
</tr>
<tr>
<td>Returned</td>
<td>45</td>
<td>39</td>
<td>38</td>
</tr>
<tr>
<td>Not-returned</td>
<td>2</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Distributed</td>
<td>47</td>
<td>47</td>
<td>47</td>
</tr>
</tbody>
</table>

Source: Field Survey (2021)

The above table captures questionnaires returned to staff of the five deposit money banks used for the study as against those distributed. It was revealed as such that out of the total 234 distributed questionnaires, 206 were returned. In other words, about 88% of the distributed questionnaires were returned. As such, all other analyses were based on the 206 well filled and returned questionnaires.

Descriptive Analysis
The essence of this analysis is to properly describe and summarize the data set used for this study. Results from this analysis are contained in the table below;

**Table 4.2: Descriptive Statistics of Variables.**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Respondents (n)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CUA</td>
<td>4.68</td>
<td>0.642</td>
<td>206</td>
</tr>
<tr>
<td>CUR</td>
<td>4.60</td>
<td>0.592</td>
<td>206</td>
</tr>
<tr>
<td>MAS</td>
<td>4.37</td>
<td>1.002</td>
<td>206</td>
</tr>
<tr>
<td>RES</td>
<td>4.61</td>
<td>0.636</td>
<td>206</td>
</tr>
</tbody>
</table>

*Source: SPSS Output (2021)*

As contained in the above table, our descriptive analysis only covered the mean and standard deviation of the dependent and independent variables of our models. Out of a maximum score of 5, the mean score of customer acquisition (CUA) is 4.68 and its standard deviation is 0.642, while customer retention (CUR) has a mean and standard deviation of 4.60 and 0.592 respectively. Relationship establishment (RID) has mean score of 4.61. In the same order, the standard deviation shown in the table is 0.636.

**Table 4.3: Linear Regression model Predicting Relationship Establishment and Customer Acquisition (CUA).**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>2.724</td>
<td>.473</td>
<td>5.757</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>EST</td>
<td>.123</td>
<td>.061</td>
<td>.122</td>
<td>.006</td>
</tr>
</tbody>
</table>

*a. Dependent Variable: CUA*

*Source: SPSS Output*

Table 4.3 puts the constant term of our model at 2.724. This shows that in an event where relationship establishment is held constant, deposit money banks’ will experience a customer acquisition 54.48% (2.724 of the maximum score of 5). It also shows that relationship establishment has an inverse relationship with CUA of these banks. As such, an improvement
in bank-customer relationship leads to a decrease in banks’ customer acquisition and vice versa. Specifically, a percentage increase in the former leads to about 0.024 percent decrease in the latter. Finally, t-test result shows that relationship establishment has an insignificant association with deposit money banks’ customer acquisition (CUA). This is because the p-value of RES is greater than 0.05 (5%).

**Table 4.4:** Linear Regression model Predicting Relationship Establishment and Customer Retention (CUR)

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>2.128</td>
<td>.414</td>
</tr>
<tr>
<td></td>
<td>RES</td>
<td>.248</td>
<td>.062</td>
</tr>
</tbody>
</table>

*Source: SPSS Output (2021)*

The table above depicts the association between relationship establishment and deposit money banks’ customer retention in Nigeria. Accordingly, the intercept of the second model is 2.128, which implies that holding the explanatory variable (relationship establishment) of the model constant, banks in the country will experience a growth in customer retention of about 42.56%, which is below average. It follows as such that an improvement in relationship establishment will enhance the customer retention of banks in Nigeria.

**Table 4.5:** Linear Regression model Predicting Relationship Establishment and Market Share (MAS)

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>3.698</td>
<td>.641</td>
</tr>
</tbody>
</table>
Table 4.5 above depicts the association between relationship establishment and deposit money banks’ market share. Accordingly, the intercept of the second model is 3.698, which implies that holding the explanatory variable (relationship establishment) of the model constant, banks in the country will experience a growth in market share of about 73.96%, which is far above average. The table also shows that relationship establishment has a negative relationship with MAS of the study banks. It follows as such that an improvement in relationship establishment does not enhance the market share of these Nigerian banks.

Test of Hypotheses

Restatement of Research Hypotheses

H₀₁: Relationship establishment has not significantly affected customer acquisition of selected deposit money banks in Imo State.

H₀₂: Relationship establishment has no significant effect on customer retention of selected deposit money banks in Imo State.

H₀₃: There is no significant relationship between relationship establishment and selected deposit money banks’ market share in Imo State.

Individual Test of Significance

Table 4.6: Individual Test Result: CUA (Model 1).

<table>
<thead>
<tr>
<th>Variables</th>
<th>Coefficient</th>
<th>T-statistic</th>
<th>P-value</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>2.724</td>
<td>5.757</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>RES</td>
<td>.123</td>
<td>2.016</td>
<td>.006</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Source: Researcher’s computation based on SPSS Output (2021)

Table 4.7: Individual Test Result: CUR (Model 2).

<table>
<thead>
<tr>
<th>Variables</th>
<th>Coefficient</th>
<th>T-statistic</th>
<th>P-value</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>2.128</td>
<td>5.136</td>
<td>.000</td>
<td>Significant</td>
</tr>
<tr>
<td>Variables</td>
<td>Coefficient</td>
<td>T-statistic</td>
<td>P-value</td>
<td>Remark</td>
</tr>
<tr>
<td>-----------</td>
<td>-------------</td>
<td>-------------</td>
<td>---------</td>
<td>------------</td>
</tr>
<tr>
<td>Constant</td>
<td>3.698</td>
<td>5.767</td>
<td>.000</td>
<td>Significant</td>
</tr>
<tr>
<td>RES</td>
<td>-.033</td>
<td>-.295</td>
<td>.768</td>
<td>Insignificant</td>
</tr>
</tbody>
</table>

**Source:** Researcher’s computation based on SPSS Output (2021)

Table 4.8: Individual Test Result: MAS (Model 3).

**Decision:**

Given that the p-values of the explanatory variables for model 1 and 2 are less than 0.05, the null hypotheses will be rejected. Hence, we conclude that:

i. Relationship establishment has significantly affected customer acquisition of selected deposit money banks in Imo State.

ii. Relationship establishment has significant effect on customer retention of selected deposit money banks in Imo State.

iii. For model 3, the p-value of the explanatory variable is greater than 0.05, hence we conclude that there is no significant relationship between relationship establishment and selected deposit money banks’ market share in Imo State.

**Discussion of Results**

Emphasis here is on the major findings that emanated from the study. Accordingly, the study revealed the following:

i. Relationship establishment has positive significant correlation with customer acquisition and customer retention of deposit money banks in Nigeria. This implies that a unit increase in relationship establishment results in varying degrees of increment in the performance of banks in terms of customer acquisition, customer retention, and market share.

ii. Relationship establishment has negative insignificant impact on deposit money banks’ market share. In other words, a unit increase in relationship establishment leads to decrease in market share. This can be explained from the viewpoint that establishing
relationship with toxic customers and bad service delivery on the part of bank officers might lead to loss of more customers and slight (insignificant) reduction in market share. Given the neck-to-neck competition that exists in the banking industry, the ability of a bank to identify, establish and nurture (retain) a good relationship with her customers is a sine-qua-non for success. This significant association is not far from the fact that banking business thrives on confidence and confidence depends to a large extent on the nature of relationship existing between banks and their customer.

**Findings**

The focus of this study was to empirically investigate the relationship between relationship establishment and performance of selected deposit money banks Imo State, Nigeria. Results from these empirical analyses revealed that:

i. Relationship establishment has positive significant impact on deposit money banks’ customer acquisition (CUA);

ii. Relationship establishment has positive significant effect on customer retention (CUR) of deposit money banks in Nigeria;

iii. Relationship establishment has negative insignificant impact on market share (MAS) of deposit money banks in Nigeria.

**Conclusion**

This study concludes that relationship establishment affects customer identification, customer retention, and market share of banks. Aside establishing bank-customer relationship, there is also need for relationship maintenance, enhancement and modification. This further reinforces Stakeholder Theory of relationship marketing, which postulates that customers are the life wire of every establishment and without them, revenue which is the only reason organizations exist cannot flow. Hence, to be able to maximize shareholders value, banks have to maintain a good relationship with customers who are actually the main means of generating income and the motive behind their existence. In a strict sense, no customer, no bank. From all indications, our findings support the position expressed by Olayiwola, Cole Dba, Kajola and Ita (2018), Ikpefan, Ibinabo, Osuma and Omojola (2019), Imouokhome, Adegbola, Abdulraheem and Bello (2020), and Ndidi and Ibrahim (2020). They used different dimensions of relationship marketing like organizational competence, trust, communication; customer involvement, long-term relationship with customers, to
demonstrate that relationship establishment has a positive and significant relationship with bank performance.

Recommendations

i. Establishment of bank-customer relationship alone is not enough. There is need to nurture and protect the relationship in order to avoid losing a customer to competitors in the industry. The mismanagement of one customer can discourage so many potential customers from patronizing a bank.

ii. It is a given that the cost of creating a new relationship far outweighs the cost of maintaining an existing relationship. As such, to save cost and enhance profitability, all relationship marketing policies in the banking industry should be geared towards ensuring that customers are given their pride of place in the scheme of things.

iii. Banks should come up with better ways of protecting customers’ interest especially from external intruders such as electronic fraudsters who specialize in diverting customers’ money to themselves. This protection should demand for individual relationship with customers and putting in place stringent measures to ensure the safety of deposits under their care.
REFERENCES


