



Effect of Relationship Marketing on Customer Satisfaction of Deposit Money Banks in Zaria- Nigeria

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Abstract

Drawing on relationship marketing theory as one-dimensional construct, this study analyzes the direct relationships amongst communication, empathy, price, personalization and service quality on customer satisfaction. The current onslaught of the customer's dissatisfaction and severe competition among banks and on business has become a matter of concern in recent times. It is to this end that the study investigates the effect of relationship marketing practice on customer satisfaction in selected Deposit Money Banks (DMBs) in Zaria-Nigeria. A descriptive quantitative research technique is employed. A random sample of 200 customers of seven deposit money banks operating in Zaria were used as the source of data. A cross-sectional survey using a structured questionnaire was employed to gather data from customers of selected Banks. The findings revealed that relationship marketing had a direct and significant effect on customer satisfaction. This connotes that a better relationship with customers in the banking industry will yield positive result on customer satisfaction and loyalty, vice versa. It can therefore be concluded that relationship marketing has significant impact on customer satisfaction. The study recommends that bank managers to capture needs and expectations of customers through planning and designing strategies, should create continuous long-term relationships that recognizes the differences in the individual customer value orientation.

Keywords: Deposit Money Banks, Relationship Marketing, Customer Satisfaction

1. Introduction

Deposit Money Banks (DMBs) in Nigeria have been facing severe competition and major customers' switch off. In the past, customers often did not have much alternatives to banks as the market was growing so fast and competition was very low such that the bank did not worry about satisfying its customers. However, banks today are working in a highly competitive and rapidly changing environment, with not only competing among each other but also with other financial institutions. Most banks' product developments are easy to duplicate and provide nearly identical services (Caroline & Elizabeth, 2014). Therefore, a customer who has not been satisfied with the bank's services can easily switch to another. Under this situation, banks employ various marketing strategies which can enable them not to only attract new customers but to also retain the existing ones.

Hence the strategic focus for the banks to remain competitive would be to adopt a strategy of superior relationship marketing, because clients focus on the service aspect and



interaction with the service provider when evaluating a service firm. When a bank claims to be practicing Relationship Marketing (RM), it signifies that it has undertaken an organization wide strategy to manage and nurture its interaction with clients and sales prospects (Audu, 2018). RM is a marketing strategy whose goal is to develop and manage long-term and trustworthy relationships with customers, suppliers and all other actors in the market (Gilaninia, Almani, Pournaserani & Mousavian 2011). The essence of the RM is to create mutual benefit and valuable long-term relationship with customers. This is possible by employing strategies that induce customers' patronization (Gilbert & Choi, 2003). Some of these strategies include given recognition to each customer irrespective of his/her quantum of transactions; promises made to customers are fulfilled as scheduled; offering qualitative products at relatively cheaper rate; listening to customers' complaint; and providing customers with valuable and relevant information that have to do with the organization and its products. On the overall, RM is for the benefit of both banks and their customers. According to Bruhn and Georgi (2006), apart from long-term relationship establishment that RM creates between banks and their customers, it also leads to what they described as Customer Retention (CR). In spite of the prominent role RM and customer satisfaction (CS) played on the survival of banks as argued by several studies that include Ndubisi (2007), Kolter and Armstrong (2010), and Matute-Vallejo, Bravo, and Pina (2011), little attention appears to be given to the concepts by the Nigerian banks. Most of the Deposit Money Banks (DMBs) in Nigeria prefer to concentrate or focus on some few customers with huge deposits usually described as major customers in their dealings at the expense of the majority of the customers with smaller deposits. The implementation of Treasury Single Account (TSA) which demanded all government monies be transferred to single account exposed the weaknesses of most banks and prove their reliance on few customers for survival (Salisu, Suraju, Saulawa, Sale & Garba, 2016).

The main issue faced by the Nigerian banks is that, most of the banks are still operating with the outdated programs. Companies that continue to rely and operate on this obsolete model will fall behind the competition as opined by Abraham (2011). Another issue is that the banks claim to use all resources at their disposal in ensuring that qualitative services are rendered to their customers, while on the other hand, banks' customer's complaint about the quality of services rendered to them by most of the banks. In addition customers are switching from one bank to another and thus causing a steady drop in the number of repeat purchases. This can be attributed to the failure to embrace relationship marketing. Without delivering customer satisfaction, customers of DMBs will continue to defect from one bank to another which will have a negative implication on the cost to the customer and also the bank as a whole (Caroline *et al.*, 2014). Other 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 (Imouokhome, Adegbola, Abdulraheem & Bello, 2020). With these conflicting



positions, investigating the situation becomes imperative in order to ascertain the nature of the quality of services claimed to have been rendered by the banks and whether it has bearing with customers' satisfaction.

In spite of the fact that a lot of studies have been conducted to evaluate the influence of RM on banks' performance and CS in developed countries as seen in the studies of Swift (2001); Santouridis and Trivellas (2010); Kim, Vogt, and Knutson (2015), and also in developing countries like in the studies of Imouokhome, Adegbola, Abdurraheem and Bello (2020); Audu (2018); Hilda and Audu (2021); and Ndubisi (2007). To the best of this study knowledge there is limited study that empirically investigated RM construct vis-à-vis CS in Nigerian banks. This study employed different set of constructs in measuring RM (communication, empathy, price, personalization, and service quality) and CS and also different methodology; this is done with a view to addressing variation in settings and sectors' peculiarities and also at the same time address the methodological shortfalls of those studies; some of which include using convenience sampling and ordinary least square without adhering to the assumptions surrounding it. Thus, this study employed relationship marketing as one construct on CS. This is because, logically, when there is quality of services by firms coupled with the marketing strategy, the customers will likely stay and be retained than in the absence of integrated quality of services. Also, while there are a few studies that examined RM practices and CS using other methodologies, this study addressed the methodological gap by using a Partial Least Square Structural Equation Modelling (PLS-SEM) as a robust means of analysis.

Leverin and Liljander, (2006) investigated the relationship marketing strategy of a retail bank in Kaduna State. Ndubisi, and Nwankwo, (2012) investigated the effectiveness of relationship marketing on the banking industry in Awka. Also Sayed and Moghadam (2015) examined relationship of relationship marketing with customer satisfaction and loyalty among customers of Ghavamin Bank in Sistan Baluchestan. Nakhleh, (2012) investigated the effect and relationship of customer relationship marketing tactics on customer satisfaction, trust and customer loyalty, by focusing on mobile service providers in Vadodara, India. On the basis of the above backdrop, the need to evaluate whether DMBs in Nigeria were able to satisfy their customers by means of RM and the influence that CS plays in accomplishing such a task becomes imperative. The general objective of the study therefore is to examine the effect of relationship marketing practices of Deposit Money Banks (DMBs) on customer satisfaction in Zaria- Nigeria. The specific objective that drive the study is: To ascertain the relationship between customer relations and cordiality with customers of Deposit Money Banks (DMBs) in Zaria- Nigeria.

2. Literature Review

Relationship Marketing- Relationship Marketing (RM) has emerged within the field of service marketing and industrial marketing (Bolton, Lemon and Verhoef 2008). The concept has been defined differently by different authors. According to Gilaninia, Almani, Pournaserani, & Mousavian (2011), RM is a kind of marketing that its goal is developing



and managing long-term and trustworthy relationships with customers, suppliers and all others acting in the market. In the definition given by Ndubisi (2007), it is viewed as a strategy to attract, maintain and enhance customer relationships. Relationship marketing refers to all marketing activities directed toward establishing, developing, and maintaining successful relationship exchanges (Mishra & Liy, 2008). Relationship marketing is, therefore, a very crucial marketing strategy, it is most often crafted to assist business organizations, to identify and meet the expectations of their immediate customers as well as prospective clients and to develop a superior business relationship with them as time evolves (Ochei, Harry, Godswill & Oladokun, 2019). Customer relationship marketing is one of the best contemporary marketing strategies for all companies to satisfy their customer needs and wants. In customer point of view, trust, commitment, mutuality and long-term relationship with customer are very essential factors to satisfy their customers' needs and wants. Customer relationship marketing concerns attracting, developing, and retaining customer relationship (Parasuraman & Berry, 1991).

Relationship marketing is a new approach in the banking industry with the aim to build close and long-term relationships with its customers in order to provide an understanding of the customer satisfactory need considering the increasing competition. On the other hand, companies have found that the cost of attracting new customers is five times more valuable than retaining existing customers. Therefore, the loss of a customer, is not only the loss of a sale item, but a loss of total purchases that the customer may be able to do in life (Kotler & Keller, 2012; Kosile, & Ajala, 2012; Chinwendu & Geraldine, 2019). There are basically four values argued in literature that are considered relevant on RM. First the activities regarding RM must be for the entire company. Second, RM is meant to achieve long term collaboration with customers and by extension create mutual value. Third, all parties to RM should accept responsibilities in terms of innovation or products improvement. Fourth, customers should be considered as individuals that suppliers should create value for (Kavosh, Abubakar, Melati & Zaleha 2011). Based on the existing literature, we have decided to measure RM as one-dimensional construct consisting of underpinning variables namely communication, empathy, price, personalization and service quality. The five underpinning variables are briefly explained under the following sub-headings.

Concept of Communication- The term communication is defined differently by various authors. It refers to the transfer of information between parties through symbols that ensure the exchanging and sharing of ideas, attitudes, opinions and facts (Bosch, Tait, & Venter, 2006). In similar definitions given by Joiner (1994) and Dodd (2004), which is the definition adopted by the study, is referred to as the delivering of a message or information, through various means, from one individual or group to another. For a communication to be effective there must be a good understanding of the subject matters between the two parties involved.



Today, there is a new view of communication as an interactive dialogue between the company and its customers, which takes place during the pre-selling, selling, consuming and post consuming stages. When there is effective communication between an organization and its customers, a better relationship will result and customers will be more loyal (Ndubisi, 2007). According to Macmillan, Money, Money and Downing (2005), communication is made up of three sub-constructs namely; frequency, relevance and timeliness that are expected to come from organization to its customers. In the context of this study, Communication is measured in terms of these sub-constructs.

Concept of Empathy- Empathy is the dimension of a business relationship that enables the two parties to see the situation from the other's perspective. It is defined as seeking to understand somebody else's 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. Empathy may be concerned with liking someone or some organization. In the initial stages of a relationship it is important that the seller empathizes with the buyer but, as the relationship develops, empathy from both parties becomes increasingly important. Liking the other on behalf of each party develops a close interpersonal and business relationship and gives a more positive outlook to each party. 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 should not be equated with sympathy; marketers can be empathetic while still driving a hard bargain with customers (Wang, 2007).

Banks or any financial services institute should be concerned in offering special attention to their customers. Because if organization provides extra attention to their customer the greater the chances that customers will feel more satisfied and become loyal to the organization. Empathy is about the personal attention extra care and better understanding toward customers. And showing them they are special and important by showing kindness, affection and looking them as close friends to make them feel special. Empathy is all about entertaining the customers in term of place, better communication and time. Researchers have proved that most people are influenced by this dimension of service quality. In empathy employees give attention and extra care to their customers by increasing the quality of services and as such makes customers feel special. This thing increase customer loyalty and customer satisfaction. To satisfy the customer's need, management should improve service quality, this can be done through empathy. Organization must pay attention to the customer objections (Betty, 2011).

The aspects that are critical in empathy include employees' knowledge to respond to customers' requests or needs. Bank invests heavily on staff training so as to equip them with the necessary knowledge and skills to deal with their customers. On the employees' personal attention to their customers, marketing literature indicates that service providers that provide individualized attention to their customers increase their level of perceived service quality. This means that employees must be skilled enough to be able to



immediately recognize the needs of the customers which is critical in order to improve service quality.

Concept of Price- Price or fees refer to the bank charges or costs received by banking institutions from their customers for the services delivered. The bank charges describe the costs for customers to make use of a bank's services (Holland, Lockett & Blackman 1996). Although there are variety of different costs involved for a customer when purchasing a service, for the purpose of this study, only the monetary price to be paid by the customer is relevant, as the focus is to determine whether the actual monetary cost of the customers influence their long-term relationships with their banks. The fees are usually increased once a year and are determined by the head office of a bank. Bank fees are the same for all customers, but may vary in some instances, for example, some banking institutions provide decreased bank fees if customers permanently maintain a specific balance in their current accounts (Manage your bank charges 2004). Price is one of the elements or 4Ps of marketing. Longenecker, Moore, Petty, & Palich (2006) as cited by Chantal (2011) define price as the specification of what a firm requires in exchange for transferring ownership or use of a product or service. The price of a product or service reflects the cost that the consumer needs to pay in order to purchase or make use of the product or service. At the same time, the price reflects what the firm needs to collect in order to cover the costs of providing the product or service (Longenecker *et al.* 2006) and at the same time make a profit from the transaction. Hoffman and Bateson (2006) therefore mentions that the main challenge for firms is to charge a price that customer are willing to pay for the service while also ensuring a profitable return for the firm.

Concept of Personalisation- It is important to note that personalisation refers to the customisation of both products and services according to the individual needs of customer. Wells and Wolfers (2000) as cited by Chantal (2011) explain personalisation as key to organise and build a customer database for the firm. It is a requirement that the database can be continuously updated, immediately after each customer interaction, and the main purpose of the customer database is to convert client data into useful customer information. Customer information should be used to personalise products and services according to each customer's unique needs. Karakostas *et al.* (2005) also identify information as useful in personalisation efforts and mention that, firms use information and communication technologies to offer customer a variety of products, lower prices and personalised products and services. Thus, in order to market effectively to the individual customer, firms gather information from both internal and external sources and use it to create a unified view or profile of each customer for targeted marketing purposes. It is evident, as observed by Karakostas *et al.* (2005), that firms effectively manage information to tailor products and services for individual customer in their relationship marketing efforts. This will be especially true in a competitive environment where all firms in a particular industry offer similar products and services.



According to Fitzsimmons and Fitzsimmons (2008), the differentiation or customisation, thus personalisation, of standard services is very important in service industries. Gwinner, Bitner, Brown and Kumar (2005) identify that the popularity of personalisation strategies implemented to customise products and services for individual customer are growing. Results from these authors' studies in 2005 have also shown that knowledge about a firm's customer is a prerequisite for the effective personalisation of the firm's products and services.

Service Quality-Service quality plays prominent role on whether customers should continue patronizing business or not. The fact that competition amongst businesses is more intensive now due to varieties of products produced, service quality has become crucial in determining customers' retention. Gronroos (1982) and Parasurama, Zeithaml and Berry (1988) were among the prominent scholars that conceptualize service quality construct. According to them the overall perception of quality was a disconfirmation of a customer's expectation and his or her evaluation of a service. In an attempt to address service quality evaluation, Parasurama *et al.* (1988) developed a disconfirmation measurement called the SERVQUAL instrument, to measure service quality and its dimensions. Before the development of the instrument, service quality is measured as a proxy measure of customer satisfaction, implying a perfect correlation between the two constructs. The service quality was perceived as an antecedent of customer satisfaction as observed by (Cronin, Brady & Hult 2000).

Service quality serve as a catalyst that enhances reputation, improves customer retention, attract new customers through word-of-mouth, and increase financial performance and profitability. It is considered to be a perceptual difference between customers' expectations of services to be received and what they have actually received (Gronroos 1984; Zeithaml *et al.* 1996; Parasuraman, Zeithaml & Berry 1991). In spite of the moderate success of SERVQUAL scale it has been criticized by an increasing number of researchers including Cronin & Taylor (1992), and Brown, Churchill & Peter (1993) on several bases comprising; the use of gap scores, the measurement of expectations, the generalizability of its dimensions, the defining of a baseline to mean good quality. The criticisms made led to combining both expectations and perceptions as a single measure to alleviate the deficiency of the scale. The finding of the single measure scale outperforms the SERVQUAL scale in terms of both reliability and validity as argued by Babakus & Boller (1992) and Brown *et al.* (1993).

Customer Satisfaction- Customer satisfaction is a complex process of various aspects, which operate in a coherent manner and form attitudes of customers towards a banking industry. It is a person's feeling of pleasure or disappointment from comparing a product's perceived performance (or outcome) in relation to his or her expectations (Audu, 2018). Belás (2014) sees it as a satisfied feeling toward the performance of product/service after they consume or use it. In the process of forming customer satisfaction, the economic factors, emotional attitudes, and habits of consumers are acting. According to Chavan &



Ahmad 2013, bank business depends very much on the quality of the customer service provided and overall satisfaction of customers. The former has further defined eight of the most important attributes of satisfaction: paying individual attention to each client personnel behavior inducing customer trust, attractive bank equipment, zero fees for issuing checks, zero error records, the possibility of online banking, security of transactions, helpful staff, and readiness of staff to answer to customer requirements regardless of occupancy. A satisfied customer is willing to use the same product inspite of the change in price and time (Fraering *et al.*, 2013). According to Santouridis and Trivellas (2010) satisfaction can therefore be seen as an output of customer service or services encountered just as customer loyalty is. Schiffman, *et al* (2010) advocate that customer satisfaction is identified by a response that pertains to a particular focus (purchase experience or associated product) and occurs at a certain time (post purchase or post consumption). This definition supports the view that a consumer's level of satisfaction is determined by cumulative experience at the point of contact with the supplier (Santouridis & Trivellas, 2010; Kim, Vogt, & Knutson, 2015; Audu, 2018; Hilda & Audu, 2021). A marketer who adopts the marketing concept sees customer satisfaction as the path to profits. To ensure survival and success, organisations therefore have to satisfy their customers. Chiguvi (2016) explains that customer satisfaction is the customer's feeling that a product has met or exceeded his/ her expectations.

Some relevant works done in the area of customer satisfaction and retention includes a study conducted by Kordnaej, Bakhshizadeh and Shabany (2013) in which an effort was made at investigating the impact of relationship marketing strategy aspects on customers' satisfaction and the impact of such relational satisfaction on word of mouth. To achieve the aims of the research, 350 questionnaires were distributed among banks' customers in Tehran of which 316 questionnaires were analyzed by means of structural equation modeling. The findings reveal that using relationship marketing strategy in banks leads to the happiness and satisfaction of customers and such satisfaction bring about word-of-mouth by satisfied customers. The shortfall of the study lies in its failure to include customers' retention as part of the variables. Devlin (2001) pointed out that "customers perceive very little difference in the services offered by retail banks and any new offering is quickly matched by competitors." According to Levesque and McDougall (1996), competitive interest rate is one of the important determinants of customer satisfaction in retail banking sector. They found that a good "employee-customer" relationship can increase the satisfaction level. They pointed out that problem-recovery is important to maintain the customer satisfaction. However, the results did not confirm that satisfactory problem-recovery can increase satisfaction. At least, it can maintain the satisfaction level.

Theoretical Framework

The study is based on two major theory which include: Stakeholder and Social Exchange Theory. Stakeholder Theory which was developed by Donaldson (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. This theory is relevant for this paper because of its focus on customer relationship management.

The Social Exchange Theory (SET) 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.

3. Methodology

This study adopted a quantitative research design in which a cross-sectional survey research was employed to collect data within a short period of time. The population of this study comprised of customers of seven deposit money banks operating in Zaria. Consequent on this, the study assumed an infinite population. Thus, Yamane (1975) formula for the determination of sample size for an infinite population was used for the determination of sample size. Hence, using Yamane (1975), the sample size of 200 was used in the study. Out of the 200-questionnaire distributed 178 was completed and returned given the retrieval rate of 89%. The non-response rate constituted eleven percent (11%). Ten (10) invalid responses were recorded because a significant part of that questionnaire was not well completed by the customers. The result indicates that 168 responses were found to be valid and usable. The analysis of the data is therefore based on the 168 valid responses. This is considered sufficient as argued by Sekaran (2003) in which a response rate of 30% is considered sufficient for a survey study. A pilot survey was conducted where 20 respondents were randomly given questionnaire which was completed and returned. Primary source of data collection was utilized for this study and the data was



collected through administration of closed end structured questionnaire designed in 5 points Likert scale. (Saunders, 2012 & Kothari, 2009). This questionnaire was administered on customers of each of the Deposit Money Banks (DMBs) in Zaria. Furthermore, the independent variable communication consists of four questions that are adopted from Tahir and Abidin (2011). Secondly, empathy contains six items which were adopted from Ndubisi & Wah (2005). Similarly, price was measured using 4 items adopted from Ndubisi & Wah (2005). Personalization comprises of 7 questions which were adopted from Tahir and Abidin (2011) and service quality comprised of six items adopted from Palmatier *et.al*, (2009). Lastly, the dependent variable-customers satisfaction comprised four items adopted from Ndubisi and Wah (2005). The two basic models of Partial Least Square (PLS) path modelling was employed (e.g. measurement model and structural model). Regression analysis was used to test the hypothesis.

4. Result

Descriptive Result

The demographic attributes of interest in this study are respondents' gender, age, educational qualification and employment status (see appendix 1). From Table 1, male respondents were 184(57.7%) of the total respondents while female respondents were 183 (42.3%) of the total respondents. Respondents in the age bracket of 31-40 were 88(52.4%), which accounted for the majority of respondents, this is followed by those in the age bracket of 21-30, which constituted 22 (13.1%) and those in the age bracket of 41 and above, which comprised of 48 (28.6%) and those below 20 years, which accounted for 5(3%) of the total respondents. Respondents with Masters were 89 (53%). They accounted for the highest number of respondents, followed by those with HND/BSc 48 (28.6%). Ph.D. degree, comprising 22(13.1%). The respondents with OND/NCE, certificates were 9(5.4%), respectively. Most respondents, representing 63(37.5%) were employed, 61 (36.3%) respondents were unemployed, 30(17.9%) respondents were retired while the remaining 14(8.3%) have been student.

Assessment of Measurement Model

In the process of ascertaining the measurement model, this study considers the examination of the individual items' reliability, the internal consistency reliability, the content validity, the convergent validity and finally, the discriminate validity.

From the table (see appendix 2), individual item reliability is very crucial in the model assessment as argued by Henseler *et al*. (2009) and Hair *et al*. (2014). The assessment is done by taking into consideration outer loading of the model. Table 4.2 shows that the least coefficient of composite reliability is 0.807 which represents the reliability of personalization and the highest is 0.894 which appeared to be the same coefficient value for both conflict handling and customer retention. As the reliability is above the threshold of 0.7, this implies that there is adequate internal consistency of the measurement of the study.



Table 1: Presents Square Root of AVE and correlations of latent variables for the first-order constructs:

| Latent Variable | 1 | 2 | 3 | 4 | 5 | 6 |
|------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 1. Comm. | 0.726 | | | | | |
| 2. Empathy | 0.389 | 0.733 | | | | |
| 3. Personal. | 0.464 | 0.429 | 0.716 | | | |
| 4. Price | 0.404 | 0.458 | 0.592 | 0.753 | | |
| 5. Satisfaction | 0.306 | 0.334 | 0.409 | 0.387 | 0.788 | |
| 6. Service Qual. | 0.476 | 0.522 | 0.522 | 0.444 | 0.523 | 0.733 |

Note: Diagonal elements (figures in bold) are the square root of the variance (AVE) shared between the constructs and their measures. Off diagonal elements are the correlations among constructs

Table 1 indicates that the average variances extracted values fall within the range of acceptable values which ranges from 0.51 and 0.74. The correlations between the latent variables as compared to the square root of the average variances extracted are the values bolded at the correlation matrix table. The matrix revealed that the values of the square root in respect to the average variances extracted are all above the correlations between the research latent variables which therefore indicate the existence of discriminant validity as suggested by Heir *et al* (2006).

Furthermore, discriminant validity ensures that the items that measure a construct are unique in serving as indicators to the construct (Hair *et al.*, 2014). It is indicated by the low correlation between the measure of interest and the measures of other constructs (Cheung & Lee, 2010). The AVE was used to assess the discriminant validity.

Assessment of Structural Model

Based on the result from the full model assessment, Hypothesis 1 predicted a positive relationship between Relationship Marketing and Satisfaction. The finding had rejected the proposed Hypothesis 1 at ($\beta = 0.526766$, $t = 6.193829$, $p < 0.01$). The said result can be seen in the following

Table 2: Hypotheses Test

| Hypotheses | Relationship | Beta value | Standard Error | T value | P value | Decision |
|------------|--------------------|------------|----------------|---------|---------|----------|
| H1 | RM -> Satisfaction | 0.5267 | 0.0850 | 6.1938 | 0.000 | Reject |

Note: ***Significant at 0.01 (1-tailed), **significant at 0.05 (1-tailed), *significant at 0.1 (1-tailed).

From the regression result obtained from Table 2, the relationship has a beta coefficient of 0.526766. This indicates that relationship marketing has positive relation with satisfaction of banks' customers since the parameter is positive. The said relationship is significant at 1%, because, the p-value is less than 0.01 and the t-value is greater than 1.96. Based on these findings, the hypothesis formulated to test the relationship between the two variables is therefore rejected.



Table 3: Summary of Hypotheses Testing Structural Model Results

| Hypotheses | Relationship | Findings | Decision |
|------------|---|-------------------|----------|
| H1 | Relationship Marketing and Satisfaction | Significant at 1% | Reject |

Note: ***Significant at 0.01 (1-tailed), **significant at 0.05 (1-tailed), *significant at 0.1 (1-tailed).

Discussion of Findings

Among the findings are the determination of path coefficient and their related significances which was presented as major findings of this research. Meanwhile, other statistical analysis computed is assessment of the measurement model and the assessment of the structural model which provides a reasonable statistical support regarding the relationship between independent and dependent variables which include Communication, Empathy, Personalization, Price, Service Quality and Satisfaction. Similarly, the path coefficients revealed a positive relationship between relationship marketing and satisfaction. Therefore, the hypothesis stated is rejected as they are significant. The findings indicate that using relationship marketing strategy in the selected banks leads to happiness with the bank services, desire fulfillment, repeat purchase, loyalty, positive word of mouth and satisfaction of customers and such satisfaction bring about satisfied customers. Since the relationship between the variables is positive and significant, it implies that when there is an increase in the number of either of the following; Communication, Empathy, Personalization, Price and Service Quality of various banks by one, the satisfaction of banks customers of the banks will increase by the 0.526766 parameter, all things being equal. This finding is consistent with previous findings (see Oliver, 1997; Mitall, Ross & Baldasare, 1998; Kotler, Armstrong & Cunningham, 2002; Kordnaeij, Bakhshizadeh & Shabany, 2013; Anderson & Fornell, 1994; Söderlund & Vilgon, 1999; El-refae & Al-alak, 2012; Al-Shammari & Kanina, 2014).

5. Conclusion and Recommendation

Recognizing relationship marketing dimensions and then planning strategies to strengthen these dimensions are important requirements for customer satisfaction. Specifically DMBs must learn from their customers and implement all activities directed towards establishing, improving and maintaining successful rational exchanges. The findings suggest that, a long-term customer-banks relationship is crucial in creating longer-term customer retention. Thus, without good relationship among banks and their customers, there will be no customer retention and if there is no customer, the relationship will not last longer. Banks should plan and design strategies to capture needs and expectations of customers in order to create continuous long-term relationships with them instead of using a lot of resources for searching for new ones. In addition, they should constantly be in touch with their customers so as to build the strong networks as a strategy of marketing their products/services beyond the limited scope.



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APPENDIX 1

Table 4: Demographic Characteristics of the Respondents Frequency Table

| Gender | Frequency | Percentage |
|--------------------|-----------|------------|
| Male | 97 | 57.7 |
| Female | 71 | 42.3 |
| Total | 168 | 100.0 |
| Age | | |
| Up to 20 years | 5 | 3.0 |
| 21-30 years | 22 | 13.1 |
| 31-40 years | 88 | 52.4 |
| 41-50 years | 48 | 28.6 |
| 51-60 years | 3 | 1.8 |
| 61 years and above | 2 | 1.2 |
| Total | 168 | 100.0 |
| Level of Education | | |
| OND/NCE | 9 | 5.4 |
| B.A/BSc./HND | 48 | 28.6 |
| Masters | 89 | 53.0 |
| Ph.D. | 22 | 13.1 |
| Total | 168 | 100.0 |
| Employment Status | | |
| Employed | 63 | 37.5 |
| Student | 14 | 8.3 |
| Unemployed | 61 | 36.3 |
| Retired | 30 | 17.9 |
| Total | 168 | 100.0 |

Source: Field Work, 2022



APPENDIX 2

Table 5: Item loadings Average Variance Extraction, Composite Reliability

| Variable | Loading | AVE | Composite Reliability |
|------------------|---------|-------|-----------------------|
| Commitment1 | 0.742 | 0.535 | 0.873 |
| Commitment2 | 0.749 | | |
| Commitment3 | 0.717 | | |
| Commitment4 | 0.757 | | |
| Commitment5 | 0.806 | | |
| Commitment6 | 0.602 | | |
| Communication1 | 0.810 | 0.527 | 0.815 |
| Communication2 | 0.730 | | |
| Communication3 | 0.638 | | |
| Communication4 | 0.715 | | |
| Empathy1 | 0.758 | 0.538 | 0.823 |
| Empathy2 | 0.758 | | |
| Empathy3 | 0.741 | | |
| Empathy6 | 0.673 | | |
| Personalization1 | 0.754 | 0.512 | 0.807 |
| Personalization2 | 0.739 | | |
| Personalization3 | 0.730 | | |
| Personalization5 | 0.634 | | |
| Price1 | 0.693 | 0.566 | 0.839 |
| Price2 | 0.749 | | |
| Price3 | 0.749 | | |
| Price4 | 0.814 | | |
| Satisfaction1 | 0.743 | 0.621 | 0.891 |
| Satisfaction2 | 0.851 | | |
| Satisfaction3 | 0.821 | | |
| Satisfaction4 | 0.710 | | |
| Satisfaction5 | 0.807 | | |
| ServiceQuality1 | 0.776 | 0.537 | 0.874 |
| ServiceQuality2 | 0.695 | | |
| ServiceQuality3 | 0.799 | | |
| ServiceQuality4 | 0.785 | | |
| ServiceQuality5 | 0.623 | | |
| ServiceQuality6 | 0.704 | | |

Source: Field Work, 2022