Commercial Banks' Ambience and C ustomers' Priorities in Uyo City of Akwa Ibom State, Nigeria

Akpan, Kufre, ANIVS, RSV
(Estate Surveyor and Valuer) Kufre Akpan & Associates
Uyo, Akwa Ibom State, Nigeria.
E-mail: kufre4sucez@yahoo.com.

ABSTRACT

A survey of Commercial Banks' Ambience and Customers' Priorities is conducted in Uyo City of Akwa Ibom State, Nigeria. The aim is to evaluate the predictors that are of priority in customers' choice of commercial banks. The population comprises all the commercial banks' customers in Uyo City of Akwa Ibom State. A total of 1,800 copies of the questionnaire are administered to the customers of the eighteen (18) commercial banks operating in Uyo, Akwa Ibom State. A sample of 100 customers is randomly selected from each of the 18 commercial banks operating in Uyo. The study adopts mean, ranking, and analysis of variance (ANOVA) to analyze the data. The result reveals among others that the cleanliness of the banks' physical environment is the most important predictor of customers' choice of a commercial bank. The predictors do not have any significant difference across all the age groups of the customers and no significant difference between the gender groups. Hence, it recommends among others that banks should pay adequate attention to the cleanliness of their physical environment.

Key Words: Choice, Commercial bank, Customers, Environment, Factors, Priorities.

INTRODUCTION

The banking industry is a highly competitive sector, especially the commercial banking sector (Gamze, 2018). The competitions have been more focused in the areas of products development and service quality in order to attract customers. All the commercial banks are competing to equate service quality by hiring competent staff and intensively training their staff on customer service and products knowledge (James and Matthew, 2012). Recently, there is great improvement in technology across all banks to ease transactions for customers (Igun, 2014). With all these investments and improvements on the people (employees who render service),

products (which satisfy the needs of the customers) and technology (which drives the processes and service delivery), Rorong (2016) opined that the work place environment in a majority of industry is unsafe and unhealthy. This suggests that banks environment too may be unsafe and unhealthy.

Ryu and Jang (2007) asserted that customers' reactions to the physical environment may be more emotional than cognitive. Adiele and Nweke (2015) stated that an organization relates to her customers to achieve the understanding and increase patronage through the design of her service environments, service quality and service personnel. Physical environment is one of the major influencers of the employees as well as consumer behavior in the interactive process (Rao K. and Rao G., 2013). Chang (2000) opined that consumers can rely on the physical environment as a concrete indicator for the evaluation of the concrete and abstract aspects of service delivery in the service industry. The physical environment also leads to customer satisfaction (Seo, *et al*, 2015). Furthermore, Bitner (1992) stated that the physical environment not only influences the customer's pre-purchase decision but also the post-purchase quality assessment and satisfaction in terms of the related goods and services. Consumers, while receiving services, continue to be exposed to physical environments, which can influence consumer purchase intention as consumers interact with and perceive such environments (Seo *et al*, 2015).

Physical environments bring about perception satisfaction, which in turn influences re-visit by customers (Hack-Jae, 2005). Rao K. and Rao G. (2013) opined that whatever efforts the service provider makes in shaping the physical environment, it should suit the needs and desires of the target customers and that service organization should focus on exploring new ways of presenting a service outlet by encouraging customers' participation in introducing refinements and modifications in the physical environment. The extent to which a customer will patronize the services of a bank depends on how the customer perceives the bank's physical environment and how the customer feels and thinks that the condition of the service environment is consistent with his/her personality (Adiele and Justin, 2013). This may be one of the reasons a customer may prefer to be identified with a particular bank more than the other and

can even refer others to patronize one bank than the other because the service environment suits his personality.

According to Rao K. and Rao G. (2013), the bank's location, park places as well as the interior and exterior layout of the bank are of great importance. Customers expect to feel comfortable within the bank unit and thus pay attention to the physical layout of equipment and other furnishings (Mohammed and Mohammad, 2003). According to Lenka, et al (2009), customers take into consideration all physical evidences and infer the bank's and its services' performance. Several authors refer to the physical facilities as a quality indicator (Ward, *et al*, 1992; Aubert-Gamet and Cova, 1999; Baker, *et al*, 2002).

Adiele and Nweke (2015) concluded that there is a strong and significant correlation between atmospherics effect and customer patronage. Their study specifically revealed that efficient design of work place ambience; physical architecture and signs significantly impact on sales volume, profit margin, and customer retention. Griffitt, 2002 stated that when people are physically uncomfortable with the ambient temperature, their affective response to strangers is less positive than when they are physically comfortable.

Adiele and Justin (2013) opined that the extent to which a customer will patronize the services of a bank depends on how the customer perceives the banks physical environment and how the customer feels and thinks that the condition of the service environment is consistent with his/her personality. Jayashree and Hosseini (2014) stated that there is a positive and significant relationship among the store atmosphere, service and music with customers' behaviour. They concluded that environment of the store that sells a particular product is an essential aspect of the product itself; the environment highly affects the image of the product and the attitude of consumers toward the product.

According to North, *et al* (2003), the store environment is its identity, and as such, the environment can be related to the customers' initial decision to purchase. Bitner

(1992) stated that store environment may influence customers' evaluations directly by providing customers with a peripheral cue or a tangible evidence for assessing the service and merchandise quality of a store, or by transfer of meanings from the environment. Kim and Jin (2001) reported that the initial purchasing stage, in which the customers associate their impression with the store's image, determines the satisfaction and repurchase intention. The environmental images formed in the minds of individuals may vary depending on the physical, social, and cultural characteristics of the individuals and their experiences (Hosseini and Jayashree 2014).

Since the physical environment is important to the customers, this study aimed at identifying the predictors of customers' priorities to their choice of commercial banks. Therefore, this study will help to close the research gap as no known study has been conducted on commercial banks in Uyo. It will also help to draw commercial banks attention to how service environment affects their customers' loyalty and patronage.

METHOD

This study employed survey research design. The population consisted of all customers of commercial banks in Uyo City of Akwa Ibom State. The instrument for data collection is a structured questionnaire. A total of 1,800 copies of questionnaire were administered to the customers of the eighteen (18) commercial banks operating in Uyo, Akwa Ibom State. A sample of 100 customers were randomly selected from each of the 18 commercial banks (Access Bank, Ecobank Plc, FCMB, Fidelity Bank, FBN, GTB, Globus Bank, Heritage Bank, Keystone Bank, Polaris Bank, Suntrust Bank, StanbicIBTC Bank, Sterling Bank, Union Bank, Unity Bank, Wema Bank, Unity Bank and Zenith Bank) operating in Uyo. Out of the total number of questionnaire administered, 1,700 copies which represented 94% were properly completed and returned. The study adopted both descriptive and inferential statistical tools such as mean, ranking and analysis of variance (ANOVA) to analyze the data.

RESULTS AND DISCUSSION

From the results in Table 1, cleanliness of the banks' environment is ranked the first predictor which customers give priority to in their choice of a commercial bank. This aligns with the assertion of Ogbuefi (2011) who stated that people appreciate a salubrious environment and would like to identify with such environment as a clean environment is a healthy and hygienic environment. The second predictor which customers give priority to is the adequacy of the lighting facilities. This is quite important as customers would want to clearly see all their financial transactions as their money is counted to ensure completeness of their money and to ensure that they can clearly read and write all the documents they may sign to avoid signing documents which may be binding on them without their clearly understanding it. The functionality of the air-conditioning system is a third priority indicator to customer. By this, customers want to be comfortable while waiting for their transactions to be processed. Almost every human being wants to be comfortable so that he or she can comfortably co-ordinate the activities, especially as it concerns money. The design of the building, the colour and the finishing is the least predictor that majority of customers give consideration to in their choice of a bank.

Table 2 shows that cleanliness of the banks' environment is the first predictor which both male and female customers give priority to in their choice of a commercial bank. To both the male and the female customers, adequacy of the lighting facilities is the second predictor of choice of a bank. While the female customers prefer functionality of air-conditioners as the third predictor of their choice of bank, the male customers prefer availability of parking space as their third predictor of their choice of bank.

Table 3 indicates that the selected customers were of different gender and of different age ranging from 18 years to above 60 years. Cleanliness of the banks' environment is the first predictor which all the customers in the age groups give priority to in their choice of a commercial bank. Customers who are within the age bracket of 15 and 29 years give priority to the functionality of air-conditioners as the 2nd predictor of their choice of bank while adequacy of the lighting facilities is the 3rd predictor of choice

of bank for customers within the age bracket. For customers within the age bracket of 30 and 44 years, adequacy of the lighting facilities is the 2nd predictor of their choice of bank while availability of parking space is the 3rd predictor of their choice of bank. For customers within the age bracket of 45 and 59 years, availability of parking space is the 2nd predictor of their choice of bank while the functionality of air-conditioners is the 3rd predictor of their choice of bank. For customers aged 60 years and above, adequacy of the lighting facilities is the 2nd predictor of their choice of bank while availability of parking space is the 3rd predictor of their choice of bank.

Table 4 presents the result of the analysis of variance by age group. The P-value of $0.765 > 0.05$ (level of significance) means that the mean response does not differ significantly across age group. By this result, it shows that majority of the customers are having the same predictors in their choice of bank across all the age groups.

Table 5 also presents the result of the analysis of variance by gender. The P-value of $0.992 > 0.05$ (level of significance) means that there is no significant difference in the mean response of male and female. By this result, it shows that both the male and female customers are having the same predictors in their choice of bank.

Table 1: Mean and rank of environment indices from all respondents

Ambience Indices	Mean	Rank
Design, Colour & Finishing of the banks' building	3.69	6th
Parking space availability	4.04	4th
Fencing & Security gadget availability	3.85	5th
Cleanliness of the banks' environment	4.47	1st
Air-conditioners functionality	4.17	3rd
Lighting bulbs and facilities adequacy	4.29	2nd

Source: Survey, 2021

Table 2: Mean and rank of environment indices by gender of respondents

Ambience Indices	Female		Male	
	Mean	Rank	Mean	Rank
Design, Colour & Finishing of the banks' building	3.69	6th	3.70	6th
Parking space availability	4.04	4th	4.17	3rd
Fencing & Security gadget availability	3.85	5th	3.83	5th
Cleanliness of the banks' environment	4.47	1st	4.47	1st
Air-conditioners functionality	4.20	3rd	4.10	4th
Lighting bulbs and facilities adequacy	4.29	2nd	4.29	2nd

Source: Survey, 2021

Table 3: Mean and rank of environment indices by age of respondents

Ambience Indices	18 to 29 Years		30 to 44 Years		45 to 59 Years		60 Years and above	
	Mean	Rank	Mean	Rank	Mean	Rank	Mean	Rank
Parking space availability	3.79	5th	4.22	3rd	4.23	2nd	4.28	3rd
Fencing & Security gadget availability	3.85	4th	3.85	5th	3.85	5th	4.13	4th
Cleanliness of the banks' environment	4.47	1st	4.52	1st	4.45	1st	4.43	1st
Air-conditioners functionality	4.37	2nd	4.17	4th	4.19	3rd	2.63	5th
Lighting bulbs and facilities adequacy	4.32	3rd	4.29	2nd	4.12	4th	4.33	2nd

Source: Survey, 2021.

Table 4: Result of ANOVA of the respondents by age group

Age groups	Count	Sum	Average	Variance		
15-29	6	23.907975	3.984663	0.263403		
30-44	6	24.686916	4.114486	0.083548		
45-59	6	23.97397	3.995662	0.227149		
60 & above	6	22.7	3.783333	0.601417		
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	0.33956	3	0.113187	0.385147	0.764857	3.098391212
Within Groups	5.877583	20	0.293879			
Total	6.217143	23				

Source: Survey, 2021

Table 5: Result of ANOVA of the respondents by gender

	female	*male*
Mean	4.083169	4.084893
Variance	0.080929	0.08109
Observations	6	6
Pooled Variance	0.08101	
Hypothesized Mean Difference	0	
df	10	
t Stat	-0.01049	
P(T<=t) one-tail	0.495918	
t Critical one-tail	1.812461	
P(T<=t) two-tail	0.991836	
t Critical two-tail	2.228139	

Source: Survey, 2021

CONCLUSION AND RECOMMENDATIONS

The study evaluated predictors of priority in customers' choice of commercial banks. The study revealed that cleanliness of the banks' physical environment is of most important priority which predicts customers' choice of commercial bank. Adequacy of the lighting facilities and the functionality of the air-conditioners respectively are the second and third predictors of customers' choice of commercial banks respectively. These predictors did not have any significant difference across all the age groups of the customers and no significant difference between the gender groups. With the conclusions of the various researches, it is clear that the bank's physical environment is important to customers so for banks to attract customers with their available products and services, attention should be given to the banks' physical environment. By this conclusion, it is recommended that banks should pay adequate attention to the cleanliness of their physical environment, ensure that their lighting facilities are adequate and functional, and their air-conditioners function

effectively. With these things in place, their banks should be of priority when customers want to make choice of bank.

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