Customers Service Strategy and Commercial Banks Survival in a Post-Consolidation Era in Nigeria

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Abstract

The mergers and acquisition in the banking industry has come and gone leaving the total number of banks to sixteen from eighty nine as at 31st June, 2012. The consolidation exercise will therefore alter and redefine the nature of competition in the industry. Meaning that banks will compete against each other through developing new corporate images, new logos, and promise of better customer care in addition to new products to the existing ones. Attention will now be shifted to the quality of customer services that banks will develop and provide for customers. Though these services are relatively available, this study is aimed at identifying the extent of service extras that commercial banks are providing during the post consolidated era. Among other things, this study has x-rayed customer services strategy formation of financial institutions. In doing this, a total of 213 questionnaires were distributed and analyzed from customers in First Bank, Zenith Bank, United Bank for Africa, Union Bank, Guaranty Trust Bank and Diamond Bank. The study adopted econometric models as statistical tools to analyze data collected and it was discovered that customers are in support of the consolidation exercise and that consolidation has improve the extent of services provided by banks. It was therefore recommended, among other things, that banks should adopt full implementation of the marketing concept, and banks should ensure no communication gap between customers and itself through adequate feedback and complaint resolution mechanism.

Keyword: Customer service, Customer service strategies, Post-consolidated era, Nigeria

Introduction

The development of any nations economy depend, to a large extent on the strength of the banking sector of that nation and the effectiveness of the manufacturing sector to produce need-satisfying products (goods and services) to meet the demand and need of the populace. An effective and efficient banking sector is essential not only for the production of efficient intermediation but for the protection of the depositors, encouragement of healthy competition, maintenance of confidence, and stability of system, and protection against systematic risk and collapse (Adewoyin, 2006). For the banking industry of an economy to achieve these objectives, the industry must be stable, source and enhance confidence, hence the need for some form of reform in order to reposition the sector in line with government economic policies, global reality and international best practice. Like the Nigerian Banking Industry, the banking industry worldwide is undergoing transformation. The driving for this attitude globally as rightly observed by Bello (2005) is the dynamic changes experienced in the global business and marketing environment. According to him, his driving force include technological innovation, deregulation of the financial sector to meet with internal competition and globalization. In addition the banking crises witnessed in the Asian Tigers and Latin America had to some extent contributed to it, while in some countries consolidation was a result of privatization of state owned banks.

In an attempt to give clarity to the concept, consolidation is viewed as the process of reducing the number of banks and other deposits taking institutions with a simultaneous increase in the size, concentration and efficiency of the remaining establishments in the sector. The process of consolidation has been argued to enhance bank efficiency through cost reduction and increased revenue in the long run. It also reduces industry risk by eliminating weaker banks and acquiring the smaller ones by bigger stronger banks as well as creating opportunities for greater diversification and financial intermediation. The pattern of banking system consolidation could be viewed in two different perspectives, namely, market driven and government led consolidation. This view was also shared by Adedipe (2005). The market driven which is more pronounced in developed nations is conducted in other to broaden competitiveness with added comparative advantage in a global context and eliminating excess capacity more differently than bankruptcy or other means of exit. On the other hand, government led consolidation precludes from the need to resolve problem, of financial distress in order to avoid systemic crises as well as restructure inefficient banks. Ownership structures about job lose continues to be an impediment towards a faster market-driven consolidation in most emerging economics.

In Nigeria, the government driven consolidation is more prominent, through the Central Bank of Nigeria. This practice has led to the reduction of the number of banks in the country to a smaller number, but bigger in terms of asset base with the apex bank. As a result of this, banks are burdened with the responsibility of being more competitive and innovative in the drive to look for, and develop new product offerings that will attract customers and enhance the efficiency of the survival of the banks. The reason for decline and why growth is threatened or stopped in most banks is not because the market is saturated or the marketing mix variables are not well developed. It is because most banks have failed or not able to identify new opportunities to develop new products in other to meet the opportunities and hence satisfy the needs of the customer.

Kotler (1990) explained that companies aim at satisfying their interest and the interest of their staff more than that of the customer. This study aim therefore to measure the attitude of customers to services provided by commercial banks and influence of the provisions of such services on the management and growth of commercial bank in Nigeria. Despite the posited success of the consolidation exercise, the post consolidation challenges remains a focal point of marketing, discuss and academic publications. Regulatory institutions like the Central Bank of Nigeria (CBN) still battle with the ripples of the effects of consolidation, while bank executives and marketers grapple with the failure or success of new products in the face of post consolidation exercise. Despite this processes why then do new products fail?

Again most financial organizations do not bother to find out how customers feel about the customer services that are being developed by financial institutions. These institutions are rather focused on organizational survival through share capital increase and profitability. Some banks, like the old generation banks, are still production or selling oriented because of huge government fund deposited in such banks and the huge capitals generated by the consolidation exercise. This is also because customers would not want to express their feelings to the services providers due to certain reasons, and some time even when they express their dissatisfaction, the financial institution does not respond at all, or promptly. Again, there is the teething restrictions of government and its related regulatory institutions that pose as a bloc to financial institutions developing new service ideas and facilities to its numerous customers. This synergy between private and public sector will motive employees as again the ill-motivated staff of government regulatory institutions gives room to unusual bureaucracy and bottlenecks in developing efficient customer strategy. This is also seen in the area of regulatory and oversight functions carried out by government regulatory bodies that attempt to hinder the process of customer service strategy development.

The need for such a study at this time cannot be over emphasized. Though several articles have been attributed to consolidation of the banking sector, this study will give a marketing light and perspective to the subject in question. This study will expose the marketing dimensions of the consolidation exercise as it relates to the development of customer service strategy as a result of the opportunities or threats that have been created by the various mergers and acquisitions that are currently taking place in the banking industry. Also, this study will serve as an eye opener to the various players and stakeholders in the banking services. This study will help organizations, particularly those in review, to measure, respond, and manage their customers' dissatisfaction and to improve their service delivery.

If the recommendations are adhered to, this work will enable financial institutions to manage their customer service development process as well as being innovative in the area of developing new product. This work is significant in the stage of the development of the Nigerian Banking Industry. With the post-consolidation activities still on-going, this work will serve as a guide to both the Central Bank of Nigeria, financial institutions, and indeed all marketing operations in the banking and service industry. The objective of this study therefore, is to examine customer service strategy and commercial banks performance in post consolidation era in Nigeria. To achieve this objective, the paper is divided into five interconnected sections. The next section presents the review of relevant literature on marketing mix and accounting services. Section three examines the materials and methods used in the study. Section four presents the results and discussion and the final section examines the conclusion and recommendations.

Literature Review

Retaining customers and attracting them has constituted one of the toughest and most challenging activities of financial institutions in most developing countries like Nigeria (Banabo and Koroye, 2011). Among the litany of problems faced by financial institutions, key operate in a highly competitive banking industry, hence the consistently strategies on different forms of sales promotion strategies to attract depositors as well as incur huge cost in training and retraining personnel for more efficient service delivery. Investigations and studies have show that banks are the best organization in Nigeria that train their staff for effective customer relations. Akpankpan, 1999; Yishau, 2008; Neakama, 2003; CBN, 2004.

This is a result of the competitiveness of the industry and the struggle for survival of banks especially in the face of the post consolidation challenges that still on-going. It is this need for greater level of competition, organizational survival, safety of depositors funds etc, that the Central Bank of Nigeria embark on the consolidation exercise in other for the financial system at the country to be more efficient and effective, face globally challenges, threats, and opportunities, contribute to economic development of the nation, enable banks to be more liquid with N25billion as minimum deposit, enable banks to become stronger players in national economic development with longer life sparn and higher returns, as well as facing the challenges of the deregulation of the financial sector, globalization of operators, technological innovations, and prudential requirement that conform to international standards (Andabai, Eke and Omesi; 2010, Soludo, 2004; Odufu, 2005; Kama, 2006; Kolo, 2007; Udoma, 2004; Nzotta, 2005; Ajayi, 2005; Ogubunka, 2005). It is however pertinent to note that the long term beneficiaries of the exercise are the ultimate consumers who are ordinary men and women who can put their deposit in the banks and go to sleep, as well as, entrepreneurial Nigerians who can now rely on stronger financial system to obtain credit to finance their businesses (Ogubunka, 2005; Soludo, 2004).

Despite the laudable objectives of the consolidation exercise, the post-consolidation effects and challenges are still glaring to all stakeholders. These challenges, include the issue of qualified and adequately trained manpower, efficient staff motivation, computerization of the banking operation, autonomy of the Central Bank, cashless economy policy of the Central Bank, diversification of operations, political instability, effective internal control, relationship among regulations authorities, teeming number of dissatisfied, customers (Akintaro, 2008; Ugbele, 2011; Idam, 2004; Ugwuanyi, 2002). Inspite of all these, if the position of this authors that the greatest challenge of the financial institution remains the ability of banks to be more marketing oriented in their policy framework and daily operations. Banks and other financial institutions must embrace and develop adequate, effective, and efficient customer service strategies that make the customer feel as kings. That is why according to Munusamy and Chelliah (2011), the study of customer satisfaction has become a paramount factor in the area of marketing as more organizations are trying to retain the customers for their business survival.

Despite the consolidation policy and emergence of mega banks, the customer still remain the proverbial grass that the treaded upon when two elephants wrestle. For instance the introduction of the ATM machines and cashless policy initiative of the Central Bank has again placed the customer at a crossroad. Most customers are not properly informed and educated on how to use these innovations but are rather charged, exorbitantly if we may add fees for which they contributed nothing to the policy framework. This is why the Central bank Governor once concluded that banks have not failed because the provide of services, but they have not gone distressed because there are millions of customers who still require their services. To this end therefore, banks must deliberately initiate and follow through on customer friendly policy and service quality.

Bank Marketing in Nigeria

It is pertinent to state here that every sector of the Nigerian/African economy must begin to consider that the customer is always right. Marketing has developed over the years as a major play in global repositioning and business best practice. A definition(s) of marketing and service at this point will be appropriate to give some clarity to marketing evolution in Nigerian banking industry.

Figure 1: Marketing Conceptualized

Author(s)	Meaning
Stanton (1981:4)	Marketing is a total system of interacting business activities designed to plan, price, promote and distribute want satisfying products and services to present and potential customer.
Pride and Ferrel (1985)	Marketing consist of individual and organizational activities aimed at facilitating and expediting exchanges within a set of
Ajao (2006)	Marketing is the process of marketing and keeping customer for life dynamic environment.
Kotler (2003:13)	Marketing is the analysis, planning and implementation and control of programmes designed to bring about desired exchanges with target audiences for the purpose of personal and mutual gain. It relies heavily on the adaptation and coordination of product, price, promotion, and place for achieving effective response.
Baker (1992)	Marketing is the process of exchange between individuals and/or organizations which is concluded to the mutual benefits and satisfaction of the parties.
Nickels (1999)	Marketing is the prices that, within societal constraints, attempts to establish satisfying exchange relationship between people or organizations with diverse requirements.
Onah and Thomas (1993)	Marketing are those activities by individuals or organizations either profit and non-profit that enables facilitates, and encourage exchange to the satisfaction of both parties.
Kotler and Amstrong (2004)	Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others.
Agbonifoh, Ogwo, Nnolin, and Ekerete (1998)	Marketing consists of individual and organization activities designed to sense and serve the customers needs, and to facilitate and expedite exchanges, with the view to achieving the goals of the individual and organization through the satisfaction of the consumers needs.
Czinkota, Michael, Masaaki, and David (1997)	Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create and maintain exchanges that satisfy individual, organizational, and society goals in the systematic context of a global environment.
Anyanwu (2000)	Marketing consist of business related activities that seek to anticipate demand, help in developing and making the goods/services available to the satisfaction of the consumers/users and at a profit to the organization.

Source: Authors Compilation

Figure 2: Services Defined

Author(s)	Definition
Kotler (1988)	Service is any act of performance that are partly can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product.
Nichols (2000)	Services are intangible products that are performed rather than produced.
Schiffman and Kanuk (2002)	Service is the temporary provision of a product or the performance of an activity intended to satisfy certain needs of buyers.
Stanton (1981)	Services are those separately identifiable essentially intangible activities that provide want satisfaction and that are not necessarily tied to the sale of a product or other services.

Source: Authors Compilation

We would add our definition to the marketing discuss by saying that marketing is the social and management function that is aimed at anticipating and identifying customer needs and wants providing need satisfying goods and services, and the distribution of these products to the final consumer at a profit to the organization, as well as fulfilling individual objectives in the organization. It is no longer an issue that a good product sells itself, but how it is offered to the customer matters a lot (Banabo, Ndiomu and Koroye, 2011). These definitions (and others) point to the fact that marketing deals with the ability of the firm to provide adequate customer services and goods that guarantee customer satisfaction as well as profitability to the firm, through conscious marketing policy formulation and practice of designed marketing programmes. It is therefore fitting to join Ajao (2006:8) to conclude that marketing is the process of "marketing and keeping of customers for life".

Marketing developed more slowly on the banking industry than the other areas of retailing as a result of lack of marketing theory, which was specifically directed towards the marketing of services as supposed to physical goods (Ajao, 2006:8). He went on to opine that the point of reference which accounted for the slow development of marketing in the banking sector in Nigeria include the following:

1. Lack of marketing theory the addresses the peculiarity of marketing of services.
2. Change in organizational culture which was required to drive the marketing focus of bank.
3. Use of hard sell techniques and half fourth to convenience customer to buy products.
4. Lack of appropriate qualified staff with a suitable combination of marketing and technical expertise.
5. Poor advertising, public relations, marketing planning, now product development etc.

Aigbiremolen and Aigbiremolen (2004:32), in their book, "marketing banking services in Nigeria"), identified that marketing services in Nigerian banks did not make any definite impact as influence until the introduction of the Structural Adjustment Programme (SAP) by the General Ibrahim Gbadamosi Babangida's Administration. This is because Nigerian Bankers had little appreciation, regard, or understanding of marketing of services, Ajao, therefore classifies marketing evolution in the banking sector into three major categories viz (i) pre sap era (ii) sap era and (iii) post sat era. In the pre-sap era, marketing was classified basically as a clerical or at best administrative function because services was not considered to be a very serious business while during the Sap Era marketing and competition among banks was evided because of the proliferation of banks from below 30 in 1980 to over a hundred and twenty in 1990. The post-Sap Era witnessed the end of subsidy and deregulation, hence there was an increase in number of banks coupled with a mix intense form of competition. Due to the collapse and cannibalization of banks by other banks for survival, customer service/relationship marketing becomes the only way out; the market however becomes a sellers market.

The evolution of marketing in the banking sector in Nigeria could be summarized as undergoing the under listed stages of development.

Stage 1: Marketing regarded as purely promotional tool.
Stage 2: Marketing regarded as relationship marketing.
Stage 3: Marketing was regarded as segmentation and innovation.
Stage 4: Marketing was regarded as positioning.
Stage 5: Marketing as marketing analysis, planning, implementation and control.
Stage 6: Customer service strategy as new marketing paradigm

Customer Service Strategy

According to Wouters (2001), customer service is considered to be a vital concept with the potential to bridge the gap between the ever-expanding customer demands for flexibility (faster, more customised, more reliable, more choice) and, at the same time, the need to reduce production and distribution costs. By bridging this gap a sustainable competitive advantage can be achieved. This suggests that customer service is viewed upon as a competitive strategy instrument. Kalu (2008), states that customer service are those activities that occur at the interface between the customer and the corporation which enhance or facilitate the sale and use of the corporation's products and services. It includes all of the things that a manufacturer does for a customer in moving a product from the end of production to the customer (Wouters, 2001). Customers' perceptions of service quality result from a comparison of their before-service expectations with their actual service experience.

The service will be considered excellent, if perceptions exceed expectations; it will be regarded as good or adequate, if it only equals the expectations; the service will be classed as bad, poor or deficient, if it does not meet them (Naik et al, 2010).

According to Uppal (2009), banks are looking for more and more interaction with customers to build customer relationship. Shankar (2004) report that customer focusing is not viewed as just a business strategy but should become a corporate mission. Once quality service is extended to a customer, a loyal customer will work as an agent to the bank and facilitate growth of business (Bhaskar, 2004). Customer relationship management is the vital factor to improve the performance of banks (Sugnadhi, 2003). Therefore, the customer orientation builds long term relationships resulting in customer satisfaction and cash flows to the bank (Swarup, 2004). A good customer in banks should have three basic rules-courtesy, accuracy and speed (Ganesh and Varghese, 2003). The quality of products and services is the dynamic factor for customer satisfaction in banks (Parimal, 2002). Kamakodi (2007*)* examines how computerization has influenced the banking habits and preference of Indian customers, and which factors influence these preferences. Changing of residence, salary and non-availability of technology based services were given as the three main reasons for changing bank. Mishra and Jain (2007) studied various dimensions of customer satisfaction in nationalized and private sector banks. The study concludes that satisfaction of customers is an invaluable asset for modern organizations, providing unmatched competitive edge, which helps in building a long term relationship. The best approach to customer retention is to deliver a high level of customer satisfaction that result in strong customer loyalty. The two-stage factor analysis is to arrive at the dimensions of customer satisfaction. The study analyzed ten factors and five dimensions of customer satisfaction for both nationalized and private sector bank.

As a result of the intense competition in the banking sector after consolidation, banks must endeavour to build customer loyalty and be more customer-focused. Therefore, on the basis of the reviewed literature, the following research questions and hypotheses were analysed:

Research Questions

1. To what extent is customer service strategy relevant in the survival of commercial banks in Nigeria?
2. What is the attitude of customers to the services provided by commercial banks?
3. To what extent do government regulatory institutions or policies influence customer service strategies?

Research Hypotheses

The following hypothesis will be tested:

H1: There is no significant relationship between customer service strategies and the performance of commercial banks in Nigeria.

H2: There is no significant relationship between government regulatory institutions and the development of customer service strategies of commercial banks in Nigeria.

Materials and Methods

This study used survey research design. The primary data for the study were generated through the administration of questionnaires conducted to evaluate customer service strategy applied by commercial banks in Nigeria. The target population includes all commercial banks in Nigeria while the accessible population includes commercial banks in the Niger Delta Region. In doing this, a total of three hundred and thirty-one (331) questionnaires were distributed to bank officials and customers in First Bank, Zenith Bank, United Bank for Africa, Union Bank, Guaranty Trust Bank and Diamond Bank from the accessible population for the period February 2010 – March 2011. Simple random sampling technique was applied to arrive at the six banks. The first part of the questionnaire contains questions on organization' and respondents' characteristics. The second part of the questionnaire examined the various customer service strategy (Chung et al; 2007; Kalu, 2008) applied in commercial bank practice using five point scale of 5- strongly agree (SA), 4- agree (A), 3- undecided (U), 2- disagree (D) and 1- strongly disagree (SD). The third part of the questionnaire examines the various government regulatory framework adapted from (Barth et al., 2004) and performance of banks. A total of two hundred and thirteen (213) usable questionnaires were completed and used for the analysis.

The questionnaire were pre-tested using forty two (42) respondents in three banks and a reliability test was done on the data collected using Cronbach Alpha model, to explore the internal consistency of the questionnaire (kothari, 2004; Krishnaswamy, Sivakumar and Mathirajan, 2004; Ndiyo, 2005; Osuala, 2005; Baridam, 2008). The result of the reliability test shows that the designed questionnaire is highly reliable at 0.73. Excel software helped us to transform the variables into format suitable for analysis, after which the econometric view (E-view) was used for data analysis. The ordinary least square was adopted for the purpose of hypotheses testing. The ordinary least square was guided by the following linear model:

$Yi = f(X_1, X_2, X_3, X_4, X_5)$ ………………………………………………………………….. (1)
$PER = \beta_0 + \beta_1 PP_1 + \beta 2P2 + \beta_3 P_3 + \beta_4 D_4 + \beta_5 SQ_5 + \varepsilon$ …………………………………….….(2)
$CSR = \beta_0 + \beta 1BAR1 + \beta 2COR2 + \beta 3CER3 + \beta_4 OSA_4 + \beta_5 OSE_5 + \varepsilon$……………....….…(3)

That is B_1-β_5>0
PP =Product Planning, P = Promotion, P = Price, D = Distribution, SQ =service Quality; BAR = bank activity regulatory, COR = Competition regulatory, CER = Commerce regulatory, OSA = Official supervisory action, OSE = Official supervisory experience. β1, β2, β3, β4, β5 are the coefficients of the regression, while ε is the error term capturing other explanatory variables not explicitly included in the model. However, the model was tested using the diagnostic tests of heteroskedasitcity, serial correlation, normality and misspecification (Gujarati and Porter, 2009; Asterious and Hall, 2007). Augmented Dickey-Fuller was also used in the study for stationarity of data.

Results and Discussions

Model 2:

Table 1: Ramsey RESET Test:

F-statistic	0.000523	Probability	0.981779
Log likelihood ratio	0.000541	Probability	0.981448

Source: e-view output

Table three above shows the Ramsey RESET test for misspecification. The econometric result suggests that the probability values of 0.98 (98%) and 0.98 (98%) are in excess of the critical value of 0.05 (5%). Therefore, it can be seen that there is no apparent non-linearity in the regression equation and so it would be concluded that the linear model for the accounting services is appropriate.

Table 2: White Heteroskedasticity Test:

F-statistic	0.587428	Probability	0.823224
Obs*R-squared	6.019832	Probability	0.813594

Source: e-view output

Table two above shows the White Heteroskedasticity test for the presence of heteroskedasticity. The econometric result reveals that the probability values of 0.82 (82%) and 0.81 (81%) are considerably in excess of 0.05 (5%). Therefore, there is no evidence for the presence of heteroskedasticity in the model.

Table 3: Breusch-Godfrey Serial Correlation LM Test:

F-statistic	4.21678	Probability	0.128330
Obs*R-squared	6.30138	Probability	0.115372

Source: e-view output

Table one above shows the Breusch – Godfrey Serial Correlation LM test for the presence of auto correlation. The result reveals that the probability values of 0.13 (13%) and 0.11 (11%) is greater than the critical value of 0.05 (5%). This implies that there is no evidence for the presence of serial correlation.

Table 4: Augmented Dickey-Fuller Unit Root Test

Variable	ADF	1%	5%	Test for Unit root
Performance	-3.236986	-3.5135	-2.7634	I(0)
Product planning	-3.425453	-3.5135	-2.7634	I(0)
Promotion	-4.837462	-3.5135	-2.7634	I(0)
Pricing of service	-3.748363	-3.5135	-2.7634	I(0)
Distribution of service	-3.637541	-3.5135	-2.7634	I(0)
Service quality	-3.235468	-3.5135	-2.7634	I(0)

Source: e-view output

Table four above shows the Augmented Dickey-Fuller unit root test for stationarity of the variables. The result suggests that performance, product planning, promotion, pricing of service, distribution of service and service quality with ADF of -3.236986 -3.425453, -4.837462, -3.748363, -3.637541 and -3.235468 is either less than 1% of -3.5135 or 5% of -2.7634. The result reveals that the variables are stationary at I(0). Therefore, ordinary least square can be applied in the analysis of data when data is stationary at I(0) (Greene, 2002; Wooldridge, 2006; Asterious and Hall, 2007; Brooks 2008; Gujarati and Porter, 2009; Kozhan, 2010).

Table 5: Multiple Regression
Dependent Variable: PER
Method: Least Squares
Date: 07/17/12 Time: 22:06
Sample: 1 213
Included observations: 212
Excluded observations: 1

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	5.976895	1.995154	2.995706	0.0031
PP	0.269111	0.101196	2.659305	0.0211
PM	0.276914	0.106176	2.608065	0.0164
PC	0.193974	0.083031	2.336158	0.0144
DT	0.182747	0.082307	2.297859	0.0121
SQ	0.283096	0.150810	2.15431	0.0105

R-squared	0.214623	Mean dependent var	13.11321
Adjusted R-squared	0.183133	S.D. dependent var	3.125558
S.E. of regression	2.976455	Akaike info criterion	5.047237
Sum squared resid	1825.013	Schwarz criterion	5.142235
Log likelihood	-529.0071	F-statistic	5.333844
Durbin-Watson stat	1.979750	Prob(F-statistic)	0.000024

Source: e-view output

Table five above shows the multiple regression analysis for performance and customer service strategy in the banking industry in Nigeria. The result suggests that product planning, promotion, pricing of bank services, distribution and service quality with p-values of 0.0211, 0.0164, 0.0144, 0.0121, and 0.0105 is less than the critical value of 0.05, that is (2%, 1.6%, 1.4%, 1.2% & 1.1%<5%). Hence, we deduce that there is a significant relationship between performance and the application of customer service strategy in the post consolidation of the Nigerian banking industry. The R^2 (coefficient of determination) of 0.214623 and adjusted R^2 of 0.183133 shows that the variables combined determines about 21% and 18% of performance of banks in Nigeria are as a result of the application of customer service strategy in the post consolidated banks.

The F-statistics and its probability shows that the regression equation is well formulated explaining that the relationship between the variables combined to performance are statistically significant (F-stat = 5.333844; F-pro. = 0.000024). The result is consistent with the arguments of Pride and Ferron (1987) that organizations are likely to survive competition as long as revenue and sales continue to increase.

Model 3:

Table 6: Ramsey RESET Test:

F-statistic	2.104523	Probability	0.230438
Log likelihood ratio	6.243541	Probability	0.215448

Source: e-view output

Table three above shows the Ramsey RESET test for misspecification. The econometric result suggests that the probability values of 0.23 (23%) and 0.22 (22%) are in excess of the critical value of 0.05 (5%). Therefore, it can be seen that there is no apparent non-linearity in the regression equation and so it would be concluded that the linear model for the accounting services is appropriate.

Table 7: White Heteroskedasticity Test:

F-statistic	3.325498	Probability	0.310421
Obs*R-squared	8.127617	Probability	0.281274

Source: e-view output

Table two above shows the White Heteroskedasticity test for the presence of heteroskedasticity. The econometric result reveals that the probability values of 0.31 (31%) and 0.28 (28%) are considerably in excess of 0.05 (5%). Therefore, there is no evidence for the presence of heteroskedasticity in the model.

Table 8: Breusch-Godfrey Serial Correlation LM Test:

F-statistic	2.18432	Probability	0.234024
Obs*R-squared	4.27463	Probability	0.192745

Source: e-view output

Table one above shows the Breusch – Godfrey Serial Correlation LM test for the presence of auto correlation. The result reveals that the probability values of 0.23 (23%) and 0.19 (11%) is greater than the critical value of 0.05 (5%). This implies that there is no evidence for the presence of serial correlation.

Table 9: Augmented Dickey-Fuller Unit Root Test

Variable	ADF	1%	5%	Test for Unit root
Customer service strategy	-3.472842	-3.7281	-2.8127	I(0)
Bank activity regulatory (BAR)	-3.283751	-3.7281	-2.8127	I(0)
Competition regulatory (COR)	-4.183745	-3.7281	-2.8127	I(0)
Commerce regulatory (CER)	-3.837465	-3.7281	-2.8127	I(0)
Official supervisory action (0SA)	-3.273462	-3.7281	-2.8127	I(0)
Official supervisory experience (OSE)	-3.746354	-3.7281	-2.8127	I(0)

Source: e-view output

Table nine above shows the Augmented Dickey-Fuller unit root test for stationarity of the variables. The result suggests that customer service strategy (CSR), bank activity regulatory (BAR), Competition regulatory (COR), Commerce regulatory (CER), Official supervisory action (OSA) and Official supervisory experience (OSE) with ADF of -3.472842 -3.283751, -4.183745, -3.837465, -3.273462 and -3.746354 is either less than 1% of -3.7281 or 5% of -2.8127. The result reveals that the variables are stationary at I(0). Therefore, ordinary least square can be applied in the analysis of data when data is stationary at I(0) (Greene, 2002; Wooldridge, 2006; Asterious and Hall, 2007; Brooks 2008; Gujarati and Porter, 2009; Kozhan, 2010).

Table 10: Multiple Regression Analysis

Dependent Variable: CSR
Method: Least Squares
Date: 07/17/12 Time: 22:19
Sample: 1 213
Included observations: 212
Excluded observations: 1

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	9.395498	1.782363	5.271371	0.0000
BAR	0.250293	0.102189	2.449314	0.0235
COR	0.242962	0.103471	2.348117	0.0229
CER	0.234496	0.113390	2.068043	0.0142
OSA	0.221884	0.103704	2.139589	0.0237
OSE	0.285356	0.141621	2.014927	0.0104

R-squared	0.266953	Mean dependent var	12.25000
Adjusted R-squared	0.234307	S.D. dependent var	3.096971
S.E. of regression	3.027586	Akaike info criterion	5.081302
Sum squared resid	1888.253	Schwarz criterion	5.176300
Log likelihood	-532.6180	F-statistic	2.956420
Durbin-Watson stat	1.112594	Prob(F-statistic)	0.000274

Source: e-view output

Table ten above shows the multiple regression analysis for government regulatory structure and customer service strategy in the banking industry in Nigeria. The result suggests that customer service strategy, bank activity regulatory (BAR), competition regulatory (COR), commerce regulatory (CER), official supervisory action (OSA) and official supervisory experience (OSE) with p-values of 0.0235, 0.0229, 0.0142, 0.0237 and 0.0104 is less than the critical value of 0.05, that is (2.3%, 2.2%, 1.4%, 2.3% & 1.04%<5%). Hence, we deduce that there is a significant relationship between customer service strategy framework and government regulatory activities in the post consolidation of the Nigerian banking industry. The R^2 (coefficient of determination) of 0.266953 and adjusted R^2 of 0.234307 shows that the variables combined determines about 27% and 23% of customer service strategy of banks in Nigeria are as a result of the application of customer service strategy in the post consolidated banks. The F-statistics and its probability shows that the regression equation is well formulated explaining that the relationship between the variables combined to performance are statistically significant (F-stat = 2.956420; F-pro. = 0.000274).

Conclusion and Recommendations

The study examined the application of customer service strategy on the survival of commercial banks in the post consolidation era in Nigeria. The paper reviewed literatures that provide strong evidence of the importance of customer service strategies on survival of commercial banks in the post consolidation period in Nigeria. Our research empirically substantiated the results of prior studies of the relationship between customer service strategies and the performance of banks. The study highlights the various variables in the customer service strategy and government regulatory activities. The empirical analysis provided a significant relationship between performance and customer service strategies; and government regulatory structure and customer service strategy in the Nigeria banking industry.

On the basis of the empirical result, the paper concludes that financial institutions have increased the extent to which new customer services have been increased. These include the provision of ATM services, money transfer, point of sale payment, on-line banking, etc. Therefore, on the basis of the findings and conclusions of the study, we recommends that bank operators should be aware that today's customers are well informed and more sophisticated in their collation of information in other to meet-up with their service expectations; bank marketers are advised to be alive to their responsibilities by displaying high level of professionalism in terms of credibility, competence, commitment and integrity; adequate feedback machinery should be put in place that will address complaints; government involvement in the operation of commercial banks, especially in the area of service provision, should be reduced,

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