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The Impact of Marketing Factors on Corporate Performance of Microfinance Banks in Nigeria

[1]NNAMOCHA.O.A., [2]*OKERE PETER A.

[1]PhD, DEPT. OF MARKETING, IMO STATE UNIVERSITY, OWERRI
[2*]ACIB, DEPT. OF BANKING AND FINANCE, IMO STATE POLYTECHNIC, UMUAGWO

Abstract: **The study was carried out to determine the impact of marketing factors on corporate performance of microfinance banks in Nigeria. The study also examined if marketing whether budgets really improve the profitability of microfinance banks. Data was obtained principally from primary sources, interviews and questionnaire. All the forty six (46) microfinance banks in Imo state were considered and one questionnaire each was sent to each of the banks. The qualitative data was transformed into quantitative with the use of likert scale. The ordinary least square estimation technique (OLS) was employed to test for relationship in the model. The study revealed that there is a significant relationship between the identified marketing factors and corporate performance of the banks in Nigeria. The study further revealed that marketing budget has contributed significantly to the performance of microfinance banks. This study therefore recommends among others that Microfinance banks should continue to offer prompt and timely services. Neck-to-measure services should be produced and made available to customers at affordable prices. There is a need also to strengthen their competitive position through a constant, comprehensive, coordinated and sustainable marketing research effort.**

Keywords: **Corporate Performance, Marketing Factors, Neck-To –Measure.**

1. INTRODUCTION

A marketing-focused organization first determines the potential of customer’s desire and then designs and builds the products or services to satisfy such wants. Marketing theory and practice are justified in the belief that customers use product or service because they have a need, or because it provides a perceived benefit (Kotler and Keller, 2006). For a marketing plan to be successful, the mix of the seven service P's must reflect the wants and desires of the customers in the target market. Trying to convince a market segment to buy something they do not want is extremely expensive and seldom successful. Marketers depend on insights from marketing research both, formal and informal, to determine what consumers want and what they are willing to pay for.

The in the wake of stiff competition prevailing in the Nigerian banking environment, to stay well of what and achieve above average returns, a bank must give the customer the kind of services he wants in the way he would want it, and at the time he wants it. The services would have to tend to neck-to-measure than off-the- pegs. (Ezirim ,Orgene,Okereke, Osiegbu and Nwachukwu 2005).

Dynamic trends in the macro and micro economics seem to suggest sound management and the need to realize one critical fact that “without the tools and strategies of marketing in time like this, sub optimal outcomes would be the order of the day and more distress conditions awaits the industry, more or less”. The need for re-engineering, re-orientation and re-marketing of banking firms has become rife. Armchair and off-the-peg banking have grown obsolete and frustrating, beckoning on better methods to be employed.

The rapid growth in the operations and scope of microfinance banks in Nigeria has generated a lot of concerns. The growth can be seen in the number of bank and branches, large customer base, increased capital base, sophisticated services offered high- level manpower, new level of information technology and the recent NDIC regulation coverage.

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This growth and modification in the microfinance sub sector has intensified the competition and necessitated a well-articulated marketing strategy that will give the customers the best and affordable services seamlessly. Bank marketing therefore, represents the process implicated in planning and executing the conception, pricing, promotion and distribution of services in such a manner as to create an exchange that satisfies the customer, the bank itself and other stakeholders. (Ezirim,Orgene,Okereke, Osiegbu and Nwachukwu 2005)

Microfinance banks have demonstrated their potentials to assist the poor to make significant strides towards reducing their vulnerability, improving their livelihoods, paying for basic health care and financing their children's' education (Littlefield et al 2003). Many microfinance banks have demonstrated an ability to provide financial services to poor people on a sustainable, profitable basis. Together, these facts have attracted a great deal of donors of money and a wide variety of organizations into the microfinance sector (Graham, David, Leonard&Rob 2003). As a result, a growing number of markets are becoming extremely competitive and customers have an ever-widening choice of financial service providers to choose from. With the vast majority of Microfinance banks functionality confirmed to offering short-term credit products, the customers are effectively given the choice of staying with or leaving their current service provider at the end of every loan cycle. In competitive markets, they are exercising this choice with unflinching regularity and many are "deserting" their service provide to try another or simply to take a "rest" from the rigors of microfinance bank terms and conditions.

The practice of microfinancing is not new in Nigeria. Nigerians have always tried to provide themselves with needed finances through informal microfinance approaches like self-help groups (SHGs), rotating savings and credit associations, (ROSCAs), accumulating credit and savings association (ASCAs) and direct borrowings from friends and relations (Akpan, 2009). These approaches may have survived in the traditional society but the growth in the in the economy, of the increasing incidence sophistication of the economy and the increasing incidence of poverty among citizens have revealed the shortcomings of this approach. The Central Bank of Nigeria (CBN) alluded to this when it pointed out that the informal financial institutions that attempt to provide microfinance service generally have limited outreach due primarily to paucity of loanable funds (CBN, 2005).

It was in a bid to resolve this identified deficiency of the informal microfinance sector that the CBN in 2005 introduced a microfinance policy as a prelude to the licensing of microfinance banks in Nigeria. According to this policy document, its aim is to provide a microfinance framework that would enhance the provision of diversified microfinance services on a long-term sustainable basis for the poor active groups, create a platform for the establishment of microfinance banks and improve CBN's regulatory/supervisory performance in ensuring monetary, stability and liquidity management.(CBN,2005)

Microfinance banks were therefore established because of the failure of the existing microfinance institutions to adequately address the financing needs of the poor and low income groups. The CBN further justified its licensing of microfinance banks with the lack of institutional capacity and lack capital base of existing community banks, existence of huge un-served markets and the need for increased savings opportunity (Acha, 2008). On the issue of lack of capacity by existing financial institutions, the CBN further pointed out that only 35% of Nigerians had access to financial services and that most of those without access to financial services dwell in the rural areas.(CBN,2005)

The major problem in the Nigeria banking industry is that bank services are still lacking in so many aspects in Nigeria, yet the banks perception of marketing has not shifted from mere advertising until recently as a result of stiff competition brought about by reforms. Banks failed to focus on marketing research and new product (services) development that could attract the unbanked thereby leading to inadequate exploitation of its benefits as well as not giving appropriate value to the banking public (Oke 2012).

The objective of this study is to examine the effect of marketing factors (MF) on bank the corporate performance. In order to be successful, firms must maximize the difference between the value of the service to the customer and the cost of providing it. They must design the service with customers in mind.

Research Problem:

It has become imperative for the executives of the microfinance banks to know the effects of the volume of money channeled to marketing activities.

The need for measuring marketing impact is intensified as firms feel increasing pressure to justify their marketing expenditures. It is important to know that various marketing actions, packaging, branding, advertising, permanent exhibitions, sponsorships, press bulletins, among others (Van Waterschoof,1992) can help build long-term assets or positions such as brand equity and customer satisfaction and also improve the profits of the bank.

Research Questions:

1. What is the relationship between the engagement in marketing activities and corporate performance of microfinance bank?
2. To what extent does the profit margin of microfinance banks justifies the marketing expenditures invested in such?

Hypotheses:

The hypotheses for this study are formulated and states thus:

Ho^{1}: There is no significant relationship between marketing factors and the corporate performance of microfinance banks in Nigeria.

Ho2: There is no significant relationship between the use of marketing budgets and the profitability of microfinance banks in Nigeria.

2. THEORETICAL REVIEW

The concept of microfinance banking and marketing are not new to Nigerians but the practice seems to be have become more formalized in recent years with the various financial sector reforms and the liberalization of the financial sector. However, many studies have made efforts at identifying the key issues that a marketing oriented company or organization must possess. For example; Narer and Slater (2000) highlighted the characteristics of a marketing orientated company to include:

(i) An understanding of long-term profits as against short term orientation

(ii) An entrenchment of an organizational culture that facilities organizational learning

(iii) An inter functional coordination of activities geared towards creating value

(iv) An awareness of competitors' capabilities and

(v) An orientation of the customers towards a better understating of their needs and wants in the market.

In essence, Kotler (2004) summarized this concept as a customer's needs and wants orientation backed by integrated marketing effort aimed at generating customer satisfaction as the key to achieving organizational goals. Therefore, for any selling activity to be effective, the activity must be preceded by several marketing functions, such as needs- assessment, marketing research, segmentation, product research, product development, pricing and distribution. Thus, if a good job is done by identifying customer's needs, then developing appropriate products, pricing, distributing and promoting them effectively will not be a problem to the business firms. According to Churchill (2000), the organization's objectives and missions must only be considered prior to the preparation and design of marketing strategy. Drucker (2004) on his part sees an effective corporate mission to be market focused rather than product. This implies that the organization's mission statement should focus on the needs of the market which the firms attempts to fill or satisfy.

Several authors; Carnes, 2001; Kotler, 2004; Kotler and Keller, 2006; Robinson, 2004 and Ibok, 2008) have all given insights into a firm's strategy of being marketing oriented through adopting several marketing approaches. This marketing approach is concerned with the planning and implementation of specific marketing actions in the market place.

However, specific marketing actions revolve around the 7Ps of services marketing mix made up of the following key elements;

a. Product: This consists of developing products (services) in terms of quality, features, options, style, brand name, packaging, and warranties.

b. Promotion: This involves the firms communication elements or tools such as advertising, personal selling, public relations, sales promotion and publicity.

c. Price: This consists of decisions in such areas as list price, discount allowances, payment period and credit terms.

d. Place: This involves taking decisions in terms of locations, channels, coverage, inventory, accessibility and transportation.

e. Process: This is called the co-creation of services i.e. the direct involvement of consumers in the production of services and the perishability of services, place greater emphasis on the process of the transaction for services. The friendliness of staff and flow of information affect the customer's perception of the service offer.

f. Physical Evidence (Ambience): The environment in which a service is offered and consumed is central to the consumers understanding of the service and to his/her enjoyment or satisfaction of same. This makes n attempt to "tangiblise" the intangible service expectation or experience.

The appearance of staff can give evidence about the nature of a service. A neatly dressed ticket clerk of an airline gives an impression that the airlines operations are run with care, professionalism and attention.

Buildings are also used to give evidence of service characteristics e.g. Nigerian banks are now outbidding each other to acquire grand buildings which signify stability and to potential inventors, who have been frightened by a history of banks distress.

g. People: For most services, people are vital elements of the marketing mix e.g. for some businesses, the employees are the business, if these are taken array, the organisation is left with few assets.

Gronroos (2000) also highlighted on the firm's promotional need as the most visible of all the marketing mix ingredients and identified the use of service promotools such as , advertising in reaching mass audiences through the paid media such as radio, television, newspapers etc, personal selling by staff though communicating face to face with customers and the use of supporting materials for presentation and demonstration, sales promotions efforts include such short term tactical incentives that can induce sales such as reduction of interest on borrowing giving away to encourage more target deposits etc and the use of publicity in creating additional value or image with various stakeholders through sponsoring of special events, games, news stories, community development efforts such as scholarship awards etc. Gronoos (2000) further maintained that a firm's distribution policy should be concerned with how to distribute and deliver products to the customers as at when due.

However, marketing of financial services cannot be complete without mention to the issue of relationship marketing, which consists of building and maintaining long term relationships with customers into the foreseeable future. In essence, this concept implies acquiring and maintain customer for life or for all times

Therefore, we must understand that the purpose of marketing is to establish, maintain, build, enhance and commercialize relationships so that the objectives of both parties can be mutually achieved. Levit (1991) summarized prelateship marketing thus: "when an organisation is loyal to its customers, and is committed to providing valuable and improved services in response to the changing needs of its customers, there is the tendency for its customers to repay the former in the form of a mutually beneficial long-term relationship, cemented by bonding, trust, reciprocity and empathy".

Relationship between Marketing Orientation and the Performance of Marketing Functions:

A number of scholars have discussed about the relationship between the application of the marketing orientation or knowledge, and performance of marketing functions by corporate organizations. For example; Cravens (2001) established that there is positive relationship between marketing orientation and corporate performance of marketing functions. He observed that this relationship is also mediated through proficiency in launching marketing tactics

Berry and Parasuraman (2006) reports a positive impact of marketing orientation on new product performance of service firms, although no significant link was found by Osakwe (2003). These seemingly contradictory results have stimulated several studies in this area over time, see; (Jawoski and Kohli, 1993; Kolili and Javorski; 2000; Baker and Surkula, 1999; Bennett and Cooper, 2001).

Marketing Strategy Models:

Various models have been developed empirically to analyze the impact of marketing strategies on corporate performance. Some of these empirical studies are reviewed below:

The Resource Base View (RBV):

This model was developed by Birger Wernerfelt in 1984. It recognizes the importance of a firm's internal organizational resources as determinants of the firm's strategy and performance. Grant (1991) defines the term internal organizational resources as all assets, capabilities, organizational processes, firm attributes, information and knowledge that are controlled by a firm and that can enable it to envision and implement strategies to improve its efficiency and effectiveness. Although the RBV recognizes that a firm's physical resources are important determinants of performance, it places primary emphasis on the intangible skills and organizational resources of the firm (Collins, 1991). Some intangible resources of the firm are the market assets such as customer satisfaction and brand equity.

The Dynamic Capabilities Model:

The dynamic capabilities views strengthen the RBV. It was developed by Teece, Pisano & Shuen in 1997. It emphasizes on how combinations of resources and competences can be developed, deployed and protected. The factors that determine the essence of a firm's dynamic capabilities are the organizational processes where capabilities are embedded, the positions the firms have gained (e.g. assets endowment) and the evolutionary path adopted and inherited. Based on this perspective, the marketing factors that determine the competitive advantage are marketing efficiency resulting from the marketing organizational process and the endowments of market assets that has generated such as customer satisfaction and brand equity i.e. market positions.

In the context of global competition, RBV and dynamic capabilities theory suggest that historical evolution of a firm (accumulation of different physical assets and acquisition of different intangible organizational assets through tacit learning) constrains, its strategic choice and so will affect market outcomes (Collins, 1991). According to Douglas and Craig (1989), the development of a marketing strategy is carried out during the stage of global rationalization. It means that the firm has had to take the step of initial foreign market entry and expansion of national market during its process of internationalization.

Consequently, in two previous stages, the firm learned and accumulated not only different physical assets but different intangible organizational assets

Marketing Impact Model:

The need for measuring marketing impact has intensified as firms feel increasing pressured to justify their marketing expenditures (Gruca and Rego, 2005; Rust et al., 2004; Srivastara et al., 2001). Accordingly, marketing practitioners and scholars are under increased pressure to be more accountable for showing how marketing activities add to shareholders' value. It is important to know that marketing activities, such as packaging, brand name, intensity of the distribution channel, advertising, permanent exhibitions, sponsoring, press bulletins among others (Van Waterschoot and Vanden Bulte, 1992) can help build long term assets or positions as brand equity and customer satisfaction (Srivastara et al., 1998). These assets can be leveraged to deliver short term profitability and shareholder value.

Marketing Efficiency Model/Data Envelopment Analysis (DEA):

The other way in which research in marketing has focused marketing performance is related to efficiency. Charness, Cooper and Rhodes in 1978 developed and define efficiency as the comparison among firms of the ratio of outcomes over the inputs required to achieve them. On the other hand, Sheth,Sisodia and Sharma (2002) define marketing efficiency as the ratio of marketing output over input. Sheth and Sischia (1995) in referring to their definition of marketing productivity, include two of the dimensions, efficiency as well as effectiveness, i.e. getting loyal customers at low marketing costs. On the other hand, Rust et al., (2004) use the term marketing productivity to refer to how marketing activities are linked to short-term and long-term profits. In reference to literature review, Charnes et al (1985) first suggested applying DEA to gain insights into the efficiency of marketing efforts. Since then, there have been some marketing studies that used the DEA as a methodology. Kamakura et al (2002) used DEA to measure welfare loss and market efficiency.

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Ibok and Samuel (2013) empirically analyzed the marketing orientation of microfinance banks, using primary data and simple percentages and found out that microfinance banks are having poor marketing orientations and that there is significant relationship between marketing orientation and performance of marketing function of MFBs.

Oke (2012) investigating the market strategies and bank performance using Ordinary Least Square (OLS) estimation technique, found out that much effect is seen when a marketing variable is compared to bank performances in isolation of other variables. Also, in trying to investigate the impact of marketing budgets of merchant banks in Nigeria, Ekerete (2005) used primary data and Spearmen Ranking Method and found out that is a positive significant relationship between the use of marketing budgets and the profitability of merchant banks in Nigeria. As sound and knowledge of marketing of financial services is needed to win more customers and businesses so as not to lose momentum of operations in the highly competitive market, to promote bank's image and sell more services to customers and to make potential and existing customers aware of the existence of the bank, its products and services.

Ikpeten (2014) evaluated the impact of marketing of financial services in the Nigerian banking industry and found out that the marketing of bank's products and services improved the efficiency of the deposit money banks and created satisfied bank customer.

From the review of studies done on marketing strategies and banks in Nigeria, it can be concluded that most studies seek to analyze the marketing strategies on performance of either merchant banks or deposit money banks, with little or no work done in the area of marketing factors and corporate performance with such a robust model and regression analysis. Hence this study seeks to bridge the gap of knowledge by throwing more light in this area.

3. METHOD AND METHODOLOGY

The data for this study was generated from primary sources. The primary data was sourced through a structured questionnaire. Forty six (46) copies of the questionnaire were administered to all the 46 microfinance banks (each to the head of marketing unit) in Imo State. A total of 39 questionnaires were answered and retrieved. The responses of the questionnaire were ranked with the Likert scale. A five point Likert scale is a qualitative data analysis technique which scales and objectively measures the respondent's degree to agreement or disagreement of the statements in the questionnaire. The regression technique was used for this study.

Model Specification:

From the theoretical framework discussed above, we can articulate a marketing model that would express the relationship between outlined factors that inform the marketing challenge of microfinance bank services on one part and the overall corporate performance on the other hand.

According to Ezirim, Amuzie and Muoghalu (2012) corporate performance can be measured in terms of;

1. Profitability indicators such as;

a) Return on Assets (ROA)

b) Return on Investment (ROI)

c) Return on Equity (ROE)

2. Financial Intermediation (FM)

3. Volume and Value of total assets

4. Total deposit mobilized.

On the other hand, marketing factors (mf) according Ezirim 2012 can be measured in terms of;

a) Total number of new products developed for unit of time

b) The effectiveness of the distribution system (The number of branches of a bank).

c) Adequacy or appropriateness of promotools, (advertisement cost, cost of gift items, cost of social responsibility)

d) Adequacy and competitiveness of price of services.

Based on the above outlined factors, we now formulate a model that can establish the relationship between corporate performance and marketing factors in microfinance banks.

$Y_1 =$ $f(X_1, X_2, X_3, X_4)$……………………………….(1)

This functional relationship is further stated in econometric form below;

$Y = \alpha_0 + \alpha_1 x_1 + \alpha_2 x_2 + \alpha_3 x_3\ \alpha_4 x_4 + u$-------------------------- (11)

Y = Total Deposit Mobilized

$X_1 =$ New Product developed at given time

$X_2 =$ Quality of Service Delivery

$X_3 =$ Appropriate Pricing of Services

$X_4 =$ Cost of Marketing Activities

U = Error Term

α_0 = Constant

$\alpha_{1\text{-}4}$ = Parameters to be Estimated.

The apriori expectation is that $x_{1,}\ x_2, x_3\ x_4 > 0$. I.e. The combination of these above listed marketing factors will significantly improve the deposit mobilization of microfinance banks

4. DATA PRESENTATION ANALYSIS AND DISCUSSION

TABLE 1: ORDINARY LEAST SQUARE (OLS) RESULT

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X1	0.167296	0.089315	1.973099	0.0497
X2	0.046479	0.092854	0.500562	0.6199
X3	-0.048891	0.088936	-0.549737	0.5861
X4	0.191902	0.079345	2.418577	0.0348
C	29.79532	3.317229	8.981991	0.0000
R-squared	0.121956	Mean dependent var		33.97436
Adjusted R-squared	0.018657	S.D. dependent var		1.512878
S.E. of regression	1.498698	Akaike info criterion		3.766280
Sum squared resid	76.36728	Schwarz criterion		3.979557
Log likelihood	-68.44246	Hannan-Quinn criter.		3.842802
F-statistic	4.180613	Durbin-Watson stat		2.661879
Prob(F-statistic)	0.006800			

The result of the multiple regression obtained by the use E-views econometric package is summarized thus:

$Y = 29.79532 + 0.167296X_1 + 0.046479X_2 - 0.048891X_3 + 0.191902X_4$

(8.9819) (1.8731) (0.5005) (-0.5497) (2.4186)

The table above shows the estimated result of the model. The coefficient of X1,X2,X3,and X4 (New Product Developed at a time, Quality of Service Delivery, Appropriate, Pricing of Services and Cost of Marketing Activities) in the regression equation reflects the approri signs, except X_3(pricing of services) which is negatively signed indicating that the pricing of microfinance banks is inversely related to performance.

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Again the R^2 is low (0.12196), this means that the independent variables(New Product Delivered at a time, Quality of Service Delivery, Appropriate, Pricing of Services and Cost of Marketing Activities)explained about 12.19% of total variations in the dependent variable (corporate performance). Durbin-Watson Statistic is 2.66 which is close to 2.0 which shows that our data is healthy.

The joint test (F-statistic) of 4.18 with p-value of 0.0068 shows that there is significant relationship between marketing factors and corporate performance of microfinance banks. This result is consistent with Ibok and Etuk (2013) whose contribution established a positive relationship between marketing orientation and banks performance.

Table 2: TEST OF HYPOTHESES

Variables	t-statistic	P-value	Observation	Decision
X1	1.973099	0.0497	p-value< 0.05	Reject null
X2	0.500562	0.6199	p-value> 0.05	Accept null
X3	-0.549737	0.5861	p-value >0.05	Accept null
X4	2.418577	0.0348	p-value<0.05	Reject null

SOURCE: Authors' Computation from Regression Result

DECISION RULE:

If the t-statistic of any explanatory variable is less than p-value at 5% significance, such variable is said to have significant relationship with corporate performance, and if otherwise it has no significant relationship

H_O^1: There is no significant relationship between marketing factors and the corporate performance of microfinance banks

From the table above, the marketing factors considered (X1, X2, and X3) have difference p-values. While X1 established significant positive relationship with corporate performance of micro finance banks, X2 established an insignificant relationship with the corporate performance of microfinance banks.

X3 also established an insignificant relationship with the corporate performance of micro finance bank The second hypothesis of this study states thus:

$H0_2$: There is no significant relationship between marketing budgets and profitability of the microfinance banks in Nigeria.

From the table above, it was observed that p-value of X_4(Cost of Marketing Activities) is less than 5%, we therefore reject the null hypothesis and conclude that there is a significant positive relationship between marketing budgets and profitability of microfinance banks in Nigeria. This finding totally aligned with the Marketing Impact Model

However, contrary to our appriori expectation, $X_{3;}$ Appropriate Pricing of Services had a negative impact on corporate performance of microfinance banks. This can be a result of high price of services especially the interest on loans that scare people away from borrowing from the bank. It also explains the low interest paid to depositors on both savings and fixed deposits. Consequently, a unit increase in price of services, decreases Y (total deposit mobilized) by 0.048891 units holding other variable constant

The coefficient of $X_{1:}$ New Product Developed at a time has a positive impact on Y. This implies that newly developed products of microfinance banks are acceptable by the customers because they are neck-to- measure products not off-the – peg products.

Again, the coefficient of X_2; Quality of Service Delivery has a positive impact on Y. This suggests that the new microfinance improved services increase their customer patronage.

Furthermore, the coefficient of X_4 (Cost of Marketing Activities) has a positive impact on Y. This implies that the funds spent on marketing activities are never a waste as the benefits have been proven to contribute positively to the corporate performance of the banks.

5. SUMMARY OF FINDINGS

The estimated result explained that though the parameters in terms of sign were positive and negative, the overall model was significance at 5% level of significant. The first hypothesis revealed that there is a significant relationship between marketing factors and corporate performance of the banks in Nigeria.

In the second hypothesis, the null was rejected and it was accepted that marketing budgets/ costs were very relevant in determining performance. We therefore conclude that the use of marketing budgets have contributed significantly and positively to the performance of microfinance banks.

However, the T-test and the coefficients of regression equally revealed that as individual variables, there was not much significance, but when integrated, there was some significance. This implies that marketing factors should not be employed in isolation but rather an optimal combination of marketing factors has to be determined by the microfinance banks in Nigeria so as to achieve synergistic results.

Again, the cost of services of the banks is to high and negatively impact on the performance of the bank.

Generally, the responses to the questionnaire and the findings of this study demonstrated a similar overall positive relationship between the marketing factors and corporate performance of microfinance banks. Thus, the finding of the analysis is consistent and reliable for the prediction of the entire microfinance banks in Nigeria.

6. CONCLUSION

From the above analysis, we can conclude that:

➢ There is a positive significant relationship between marketing factors and corporate performance of microfinance banks in Nigeria.

➢ There is also positive relationship between marketing budgets and profitability of microfinance banks in Nigeria.

➢ The price of services in the microfinance banks is so high that it has affected their performance, in view of the nature of stiff competition within the deposit money banks.

This competition is supposed to among others, facilitate effective deposit mobilization, ensure affordable services, guarantee high compensation of depositors, ensure safety of depositor's funds, provide availability of funds for the poor active population, provide variety of services, trained staff and technical efficiency among others.

➢ The findings show an overall significance of the marketing variables adopted although insignificant much impact was observed when a marketing variable is compared to bank performance in isolation of the other variables. This leads us to conclude that marketing factors must be adequately combined in order to bring about improved performance in this sector of the economy.

7. RECOMMENDATIONS

In view of the above discussion and findings, the researchers are led to proffer the following recommendations which will be useful to microfinance banks in the process of marketing their services for better quality service delivery to their customers and the corporate performance in the long run.

1. Microfinance banks should continue to offer prompt and timely services. Every customer of the banks desires seamless services being rendered to him or her. Neck-to-measures services should be produced and made available to customers at affordable prices.
2. All units of microfinance banks should be involved in marketing. All the staff, 'building, dressing of staff, actions' should be involved in marketing. Armchair banking of the 80's should never be allowed again.
3. In addition, banks are encouraged to be more customer-focused and embrace relationship marketing rather than transaction marketing. This will enable them to gain more customers' loyalty and maintain a long-term relationship with customers.
4. Microfinance banks should embark on marketing research periodically and consistently. The need to strengthen their competitive position requires a coordinated and sustainable marketing research effort. Given the fact that information is power, an adequate marketing mix is a product of marketing research and would be invaluable to the performance of these financial institutions.

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