

## Behavioural Effect of Promotion on Customer Loyalty among Selected Banks in Jigawa State

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### Abstract

*This study examined the behavioural effect of Promotion on customer loyalty in the banking sector of Jigawa State, Nigeria. The study adopted the Behavioral Perspective Model (BPM). The study used multiple regression analysis to analyse data from 2,662 customers across four banks; Zenith Bank, Fidelity Bank, First Bank Nigeria Plc, and UBA. The findings revealed a significant impact of specific promotion on customer loyalty, such as the type, objectives, and sometimes the duration and frequency of promotions. In line with the findings, this study among other recommendations indicated that the varying effectiveness of promotional strategies across different banks, a customer-centric approach tailored to each bank's clientele's demographic and cultural context is crucial. All banks should consider employing advanced analytics to gain deeper insights into customer preferences and behaviours. This could inform more personalized and effective promotional strategies.*

**Keywords:** Promotion, Customer Loyalty, Financial Institutions

**JEL Classification:** M00, M310

### 1. Introduction

Promotions encompasses businesses' various marketing and communication strategies to inform, persuade, and remind customers about their services (Oktavanny & Sulistiadi, 2022). According to Leung, Gu & Palmatier (2022) promotions are critical for creating awareness and generating interest in a brand's offerings. Nenonen, et al., (2020) note that effective promotions communicate a service's value proposition and helps differentiate a brand from its competitors. Technological advancements have significantly influenced the evolution of promotions. Behera et al. (2020) highlight that with the rise of digital marketing, promotions have become more targeted and personalised, allowing for more direct and meaningful customer engagement. Gao, et al., (2021) observes that promotions are increasingly integrated into the customer experience, focusing on creating value beyond the primary service offering. The impact of cultural factors on promotion is also significant. Hultman & Oghazi (2024) study suggests that promotion strategies must be culturally sensitive and tailored to the preferences of different customer groups.

On the other hand, customer loyalty, a pivotal concept in marketing and business strategy, is the inclination of customers to favour a particular brand or product over competitors, often resulting in repeat purchases and positive word-of-mouth (Manyanga, 2022). Närvänen, *et al.*, (2020) define customer loyalty as not just repeat purchasing behaviour but also an emotional attachment where customers feel a strong connection to a brand. According to Susanti, Rafika & Melinda (2021) loyalty is built through continuous engagement and satisfaction, leading to a solid customer-brand relationship. Various factors influence loyalty, including product quality, customer service, and overall customer satisfaction. Özkan, *et al.*, (2020) argue that loyalty directly results from a company meeting customer needs and exceeding expectations. Loyalty is not merely transactional but is deeply rooted in customers' emotional responses to a brand, as Diallo, Moulins & Roux (2021) noted. This emotional dimension of loyalty is critical, as it drives word-of-mouth promotion and can lead to brand advocacy.

Globally, the banking sector has witnessed a paradigm shift in cultivating and maintaining customer loyalty. Ionaşcu, *et al.*, (2023) highlight that banks worldwide have reevaluated their promotion strategies with digitalisation and globalisation to align with changing customer expectations. The global banking has transitioned from traditional transaction-based interactions to a more relationship-centric approach, underlining the significance of customer loyalty as a strategic asset (Chaffey & Ellis-Chadwick, 2019). This shift is characterised by increased focus on personalised services, digital banking platforms, and innovative customer engagement tactics (Khan, *et al.*, 2020). The Nigerian banking sector mirrors this global trend but is shaped by its unique economic, social, and technological contexts. Alam, Gupta & Zamani (2019) reported that the Nigerian banking industry faces challenges such as fluctuating economic conditions, regulatory changes, and a rapidly growing digital-savvy customer base. Nigerian banks increasingly leverage Promotion to differentiate themselves in a competitive market. Mogaji, *et al.*, (2021) note that in developing economies like Nigeria, banks are not only focusing on traditional promotional strategies but are also integrating advanced technologies and digital platforms to enhance customer experience and loyalty.

Previous research has extensively explored the role of promotions and customer loyalty separately. Studies such as those by Oktavanny & Sulistiadi (2022) and Leung, Gu, and Palmatier (2022) have elucidated how promotions serve to engage customers and create brand awareness. Others, like Nenonen *et al.* (2020), have focused on the value proposition and brand differentiation through effective promotional strategies. On the technological front, Behera *et al.* (2020) and Gao *et al.* (2021) have highlighted how digital advancements have revolutionized promotions, making them more targeted and personalized. Similarly, extensive work has been done on customer loyalty, with researchers like Manyanga (2022) and Närvänen *et al.* (2020) discussing the behavioural and emotional aspects that bind customers to a brand. This study distinguishes itself from previous works by its unique dual focus on the intersection of promotional strategies and their behavioural impacts on customer loyalty within the banking sector, particularly under Nigeria's unique socio-economic and cultural landscape. Unlike prior studies that may have treated promotions and loyalty as somewhat discrete subjects or focused primarily on transactional aspects, this

research aims to integrate these dimensions. It examines how promotions can not only attract customers but also foster deep, lasting loyalty through emotional engagement and cultural resonance.

Hence, this study is motivated by the need to deepen peoples understanding of how promotional strategies influence customer loyalty, mainly through behavioural effects. As diverse marketing and communication tactics, promotions play a critical role in informing, persuading, and reminding customers about services offered by businesses. This study is propelled by observations that while promotions are essential for brand awareness and engagement, their behavioural impact on customer loyalty needs to be understood, especially in the banking sector. The aim of this study is to examine the behavioural effect of promotion on customer loyalty among Selected Banks in Jigawa State. The objective is to look at the behavioural effect of promotion on customer loyalty in each of the four banks.

## **2. Literature Review**

The Behavioral Perspective Model (BPM) of consumer choice was developed due to Foxall's theoretical research on the philosophy of economic psychology, precisely the explanation of consumer choice (Borgardt, 2019). BMP sets out to determine the nature and status of the account it offers while also investigating the viability of a behaviour analytical approach to consumer behaviour (Wambua, 2023). The study examines the applicability of behavioural learning to marketing. The behaviour Modification Perspective encourages a systematic analysis of purchase and purchase-related behaviours. It indicates specific techniques for modifying and controlling these behaviours based on manipulating external factors. A marketer can enhance the utility of a product through appropriate manipulation of price, distribution, and promotional variables (Qazi *et al.*, 2021).

Behavioural learning can be used as a behaviour modification technique whereby if the product is pleasing, the probability of repeat behaviour will increase (McEachern *et al.*, 2020). The concept is that positively reinforced behaviours are more likely to recur than nonreinforced behaviour. "Since the key to successful marketing is closely tied to repeat purchase behaviour, providing positive reinforcement for desired behaviour is crucial. Therefore, positive reinforcement must be the ultimate goal of the marketer (Rothschild & Gaidis, 1981). However, BMP retains the fundamental assumptions of operant behaviourism: (a) that the frequency with which behaviour is performed is a function of the consequences of such behaviour in the past, and (b) that determinants of behaviour must be sought in the environment. BMP modifies radical behaviourism by incorporating logical critiques based on empirical investigation of human operant performance (Foxall, 2023).

The first criticism is made by Foxall (2023), who contends that behaviour analysis's guiding principles are best able to explain, regulate, and forecast behaviour in constrained environments. The BMP suggests a continuum of closed-open behavioural settings, with which behaviour can be objectively and empirically attributed to environmental control with varying degrees of certainty. Second, the model argues that reinforcement has an informational and a hedonic impact on response rate, based on recent experimental investigations of human operant behaviour (Medupin & Ojeleye, 2023). Thirdly, the BMP acknowledges the value of rule-governed and contingency-based behaviour, which means that verbal explanations of the situations at play and physical exposure to the contingencies

impact the pace at which conduct is emitted (Wambua, 2023). As a modern paradigm for behaviour analysis of consumer psychology, BPM is presented as the conclusion. It describes behaviorally antecedent stimulus, similar to Skinner's operant conditioning, but elaborates on the more basic ideas of discriminative stimuli.

### **3. Methodology**

Jigawa State, as a part of Nigeria, experiences the broader national banking trends that also presents its unique challenges and opportunities. The banking sector in Jigawa State is influenced by its predominantly rural, cultural diversity, and varying levels of financial literacy among its population. Banks in this state are tasked with tailoring their promotions to cater to a diverse customer base with different banking needs and preferences. In Jigawa State, the effectiveness of promotion strategies in enhancing customer loyalty is particularly critical. The state's unique socio-economic environment demands a customised approach to promotion. Banks need to balance integrating digital banking trends with the need for personalised, culturally sensitive service offerings. Against this background, this study set out to determine the behavioural effect of promotion on customer loyalty among selected banks in Jigawa State.

The survey research design was used for this study. This study employed a quantitative research approach. This design and approach were chosen in line with Moisander, *et al.*, (2020). The focus was on customers of Zenith Bank, Fidelity Bank, First Bank Nigeria Plc, and UBA located in Jigawa State, Nigeria. These banks were selected due to the feasibility of data collection, as they provided accessible and reliable customer information, which was crucial for conducting this study. The study population comprised all customers of the four banks above within Jigawa State whose population was not issued by the organization. Given the vast number of customers and the practical limitations of reaching out to everyone, a suitable sampling method was necessary to ensure that the research findings would be statistically significant and representative of the broader customer base. The sample sizes for each bank were determined based on equal proportion since the study would be comparing the banks. Hence, due to easy access to the respondents and the ease in generalizing with large samples 700 respondents were sampled for each of the financial institutions notably Zenith Bank, Fidelity Bank, First Bank Nigeria Plc and UBA.

This resulted in a total sample size of 2,800 participants, calculated to ensure a balance between statistical efficiency and research feasibility. Data were collected through structured questionnaires designed to capture a wide range of information pertinent to the study's objectives. The self-developed questionnaire was using accidental sample method. The collected data were then analysed using statistical software to identify patterns, trends, and insights relevant to the banking preferences, behaviours, and satisfaction levels among the surveyed customer segments. The internal consistency (Cronbach's alpha) was 0.79 which is above 0.70, the benchmark (Abrokwah-Larbi & Awuku-Larbi, 2023). For this study, crosstabulation was used to present the results in the questionnaire, while Multiple regression analysis was used to examine the effect of promotion on customer loyalty (Chakiso, 2015).

## Results

Table 1: Customer's Demographic Characteristics

Item	Response	Zenith Bank	Fidelity Bank	First Bank Nigeria Plc	UBA
Sex	Male	405 (63.4%)	428 (64.7%)	466 (69.5%)	467 (67.7%)
	Female	234 (36.6%)	234 (35.3%)	205 (30.5%)	223 (32.3%)
Age	-24 years	63 (9.9%)	81 (12.2%)	72 (10.7%)	54 (7.8%)
	25-34 years	108 (16.9%)	179 (27.0%)	170 (25.3%)	152 (22.0%)
	35-44 years	153 (23.9%)	178 (26.9%)	214 (31.9%)	189 (27.4%)
	45-54 years	207 (32.4%)	134 (20.2%)	143 (21.3%)	196 (28.4%)
	55 years and above	108 (16.9%)	90 (13.6%)	72 (10.7%)	99 (14.3%)
Educational Qualification	Primary Education	81 (12.7%)	18 (2.7%)	106 (15.8%)	99 (14.3%)
	Secondary Education	216 (33.8%)	152 (23.0%)	207 (30.9%)	187 (27.1%)
	Tertiary Education	135 (21.1%)	251 (37.9%)	179 (26.7%)	162 (23.5%)
	No Formal Education	135 (21.1%)	196 (29.6%)	126 (18.8%)	197 (28.6%)
	Others	72 (11.3%)	45 (6.8%)	53 (7.9%)	45 (6.5%)
Type of employment	Private	153 (23.9%)	162 (24.5%)	178 (26.5%)	179 (26.0%)
	Government/public agency	369 (57.7%)	277 (41.8%)	358 (53.3%)	377 (54.6%)
	Self-Employed	117 (18.3%)	223 (33.7%)	135 (20.1%)	134 (19.4%)
Length of service	less than 3 years	63 (9.9%)	90 (13.6%)	45 (6.7%)	35 (5.1%)
	4-6 years	63 (9.9%)	133 (20.1%)	143 (21.3%)	117 (17.0%)
	7-9 years	144 (22.5%)	125 (18.9%)	125 (18.6%)	188 (27.2%)
	10-12 years	153 (23.9%)	53 (8.0%)	180 (26.8%)	126 (18.3%)
	13-15 years	117 (18.3%)	144 (21.8%)	133 (19.8%)	134 (19.4%)
	16 years and above	99 (15.5%)	117 (17.7%)	45 (6.7%)	90 (13.0%)

Note: N=2662; Source: Author's Compilation

In Table 1, the demographic data from Zenith Bank, Fidelity Bank, First Bank Nigeria Plc, and UBA, encompassing a total of 2662 customers, reveals insightful trends about the customer base of these Nigerian banks. In terms of gender, male customers predominate across all banks. This trend is most pronounced in First Bank Nigeria Plc and UBA, where 69.5% and 67.7% of their customers are male, respectively. Female representation, although lower than male representation, is relatively balanced across the banks, with the highest being in Zenith Bank and Fidelity Bank, each holding 36.6% and 35.3% of their customer base respectively. When we delve into the age demographics, a clear pattern emerges. The age group of 35-44 years is the most represented across all banks, indicating a customer base that is predominantly in their mid-career stage. In contrast, the youth demographic (below 24 years) is significantly underrepresented, with the highest presence in Fidelity Bank at 12.2%. The educational qualifications of the customers show a diverse range. While secondary education appears to be the most common level across all banks, with Zenith Bank showcasing the highest at 33.8%, Fidelity Bank stands out with a higher proportion of customers holding tertiary education at 37.9%. Interestingly, there is also a noticeable presence of customers with no formal education, particularly in UBA and Fidelity Bank, with percentages around 28.6% and 29.6% respectively. Looking at the type of employment, customers from government or public agencies form a significant portion of the bank's clientele, especially in UBA, where they constitute 54.6% of the customer base. The representation of private sector employees and self-employed individuals is also notable, with Fidelity Bank having a distinctly higher percentage of self-employed customers at

33.7%. The length of service among these customers varies widely, suggesting a mix of relatively new and more experienced professionals. This aspect of the data underscores the diversity in career stages among the banks' customers.

Table 2. Promotion

Item	Response	Zenith Bank	Fidelity Bank	First Bank Nigeria Plc	UBA
Aware of sales promotion	No	297 (46.5%)	340 (51.4%)	268 (39.9%)	322 (46.7%)
	Yes	342 (53.5%)	322 (48.6%)	403 (60.1%)	368 (53.3%)
Type of Promotion	Savings promotion	45 (7.0%)	27 (4.1%)	45 (6.7%)	36 (5.2%)
	Customer loyalty reward	54 (8.5%)	63 (9.5%)	44 (6.6%)	81 (11.7%)
	Loan Promotion	90 (14.1%)	97 (14.7%)	99 (14.8%)	71 (10.3%)
	Fix deposit promotion	81 (12.7%)	72 (10.9%)	152 (22.7%)	62 (9.0%)
	Child account promotion	99 (15.5%)	124 (18.7%)	27 (4.0%)	81 (11.7%)
	Specialised account package	90 (14.1%)	72 (10.9%)	125 (18.6%)	89 (12.9%)
	Home Loan Promotion	90 (14.1%)	81 (12.2%)	63 (9.4%)	126 (18.3%)
	Travel promotions	63 (9.9%)	99 (15.0%)	63 (9.4%)	81 (11.7%)
	Others	27 (4.2%)	27 (4.1%)	53 (7.9%)	63 (9.1%)
Type of Marketing mix	Advertising	63 (9.9%)	54 (8.2%)	81 (12.1%)	54 (7.8%)
	Public relation	180 (28.2%)	71 (10.7%)	232 (34.6%)	144 (20.9%)
	Personal selling	99 (15.5%)	153 (23.1%)	72 (10.7%)	144 (20.9%)
	Sponsorship	54 (8.5%)	171 (25.8%)	125 (18.6%)	134 (19.4%)
	Direct marketing	144 (22.5%)	133 (20.1%)	108 (16.1%)	143 (20.7%)
	Word of Mouth	99 (15.5%)	80 (12.1%)	53 (7.9%)	71 (10.3%)
Objectives of Promotion	Survival	63 (9.9%)	116 (17.5%)	79 (11.8%)	116 (16.8%)
	Increase in customer base	153 (23.9%)	186 (28.1%)	207 (30.9%)	162 (23.5%)
	Launching of new product	180 (28.2%)	117 (17.7%)	135 (20.1%)	135 (19.6%)
	Encourage greater usage	216 (33.8%)	198 (29.9%)	196 (29.2%)	169 (24.5%)
	Competitors' effort	27 (4.2%)	45 (6.8%)	54 (8.0%)	108 (15.7%)
Duration of Promotion	less than 1 month	63 (9.9%)	153 (23.1%)	99 (14.8%)	161 (23.3%)
	2-3 months	216 (33.8%)	222 (33.5%)	278 (41.4%)	198 (28.7%)
	4-5 months	234 (36.6%)	188 (28.4%)	196 (29.2%)	241 (34.9%)
	6 months and above	126 (19.7%)	99 (15.0%)	98 (14.6%)	90 (13.0%)
Frequency of Promotional Service	Always	126 (19.7%)	63 (9.5%)	81 (12.1%)	108 (15.7%)
	Sometimes	207 (32.4%)	224 (33.8%)	251 (37.4%)	161 (23.3%)
	Rarely	189 (29.6%)	268 (40.5%)	242 (36.1%)	323 (46.8%)
	Never	117 (18.3%)	107 (16.2%)	97 (14.4%)	98 (14.2%)

Note: N=2662; Source: Author's Compilation

Table 2 provides a detailed look at promotion across four Nigerian banks: Zenith Bank, Fidelity Bank, First Bank Nigeria Plc, and UBA, with a collective customer base of 2662 individuals. This data gives the study a nuanced view of how these banks engage their customers through various promotional activities. There is a noticeable variance in customer awareness of sales promotions. While a substantial number of customers across all banks are cognizant of such promotions, with First Bank Nigeria Plc leading at 60.1%, there remains a significant proportion who are unaware, particularly in Fidelity Bank, where the unawareness stands at 51.4%. The banks employ a diverse array of promotions, including savings promotions, customer loyalty rewards, loan promotions, fixed deposit promotions, child account promotions, specialized account packages, home loan promotions, travel promotions, and others. Among these, fixed deposit promotions are notably prevalent at

First Bank Nigeria Plc with 22.7%, while Fidelity Bank emphasizes child account promotions with 18.7%.

Table 3. Customer Loyalty

Item	Response	Zenith Bank	Fidelity Bank	First Bank Nigeria Plc	UBA
I will always use the bank for every transaction	Strongly Disagree	117 (18.3%)	187 (28.2%)	251 (37.4%)	214 (31.0%)
	Disagree	90 (14.1%)	80 (12.1%)	99 (14.8%)	81 (11.7%)
	Neutral	243 (38.0%)	197 (29.8%)	124 (18.5%)	197 (28.6%)
	Agree	63 (9.9%)	72 (10.9%)	81 (12.1%)	117 (17.0%)
Will continue using the bank despite an increase in bank charges	Strongly Disagree	117 (18.3%)	151 (22.8%)	117 (17.4%)	116 (16.8%)
	Disagree	81 (12.7%)	72 (10.9%)	72 (10.7%)	81 (11.7%)
	Neutral	153 (23.9%)	144 (21.8%)	54 (8.0%)	134 (19.4%)
	Agree	90 (14.1%)	99 (15.0%)	160 (23.8%)	125 (18.1%)
I do not consider changing this bank.	Strongly Agree	198 (31.0%)	196 (29.6%)	268 (39.9%)	234 (33.9%)
	Strongly Disagree	171 (26.8%)	233 (35.2%)	224 (33.4%)	153 (22.2%)
	Disagree	99 (15.5%)	160 (24.2%)	134 (20.0%)	161 (23.3%)
	Neutral	234 (36.6%)	116 (17.5%)	169 (25.2%)	161 (23.3%)
I cannot change banks, even with a better one	Agree	36 (5.6%)	63 (9.5%)	45 (6.7%)	72 (10.4%)
	Strongly Agree	99 (15.5%)	90 (13.6%)	99 (14.8%)	143 (20.7%)
	Strongly Disagree	180 (6.8%)	259 (9.7%)	260 (9.8%)	189 (7.1%)
	Disagree	135 (5.1%)	134 (5.0%)	90 (3.4%)	152 (5.7%)
I will keep defending this bank.	Neutral	171 (6.4%)	171 (6.4%)	150 (5.6%)	144 (5.4%)
	Agree	72 (2.7%)	44 (1.7%)	54 (2.0%)	79 (3.0%)
	Strongly Agree	81 (3.0%)	54 (2.0%)	117 (4.4%)	126 (4.7%)
	Strongly Disagree	189 (29.6%)	223 (33.7%)	259 (38.6%)	252 (36.5%)
I will keep referring people to this bank.	Disagree	108 (16.9%)	143 (21.6%)	214 (31.9%)	161 (23.3%)
	Neutral	198 (31.0%)	152 (23.0%)	63 (9.4%)	144 (20.9%)
	Agree	90 (14.1%)	81 (12.2%)	54 (8.0%)	44 (6.4%)
	Strongly Agree	54 (8.5%)	63 (9.5%)	81 (12.1%)	89 (12.9%)
I will keep referring people to this bank.	Strongly Disagree	234 (36.6%)	321 (48.5%)	330 (49.2%)	296 (42.9%)
	Disagree	99 (15.5%)	98 (14.8%)	117 (17.4%)	170 (24.6%)
	Neutral	225 (35.2%)	162 (24.5%)	134 (20.0%)	89 (12.9%)
	Agree	36 (5.6%)	18 (2.7%)	27 (4.0%)	0 (0.0%)
	Strongly Agree	45 (7.0%)	63 (9.5%)	63 (9.4%)	135 (19.6%)

Note: N=2662; Source: Author's Compilation

Marketing strategies are also varied, encompassing advertising, public relations, personal selling, sponsorship, direct marketing, and word of mouth. Each bank has its preferences; for instance, First Bank Nigeria Plc leans heavily on public relations with 34.6%, while Fidelity Bank appears to invest more in sponsorship with 25.8%. The objectives behind these promotions are multifaceted, ranging from survival and increasing the customer base to launching new products, encouraging more significant usage, and countering competitors' efforts. A common goal across all banks is to encourage more significant usage of their services, with Zenith Bank taking the lead at 33.8%. Interestingly, UBA focuses on responding to competitors' efforts with 15.7% acknowledging this as a key objective. These promotions vary in duration, some lasting less than a month and others extending beyond six months. Promotions lasting 2-3 months are the most common, especially in First Bank Nigeria Plc, which sees 41.4% of such promotions. Finally, the frequency of these

promotional services ranges from always to never. While First Bank Nigeria Plc frequently offers promotions 'sometimes' at 37.4%, UBA customers report that promotions are 'rarely' offered, noted by 46.8% of respondents.

Table 3 presents a comprehensive customer loyalty survey across four prominent Nigerian banks: Zenith Bank, Fidelity Bank, First Bank Nigeria Plc, and UBA, involving 2,662 respondents. This survey explored various aspects of customer loyalty through a series of statements. The response to whether customers would always use their bank for every transaction varied. First Bank Nigeria Plc observed the highest percentage of strong disagreement at 37.4%, indicating that a significant portion of their customers might not prefer the bank for all transactions. In contrast, opinions in Zenith Bank were more evenly distributed across the response spectrum, with the highest neutral response at 38.0%. Regarding the willingness to continue using the bank despite increased bank charges, First Bank Nigeria Plc stood out, with 39.9% of its customers strongly agreeing, suggesting a solid base of loyal customers. UBA also saw a substantial 33.9% of its customers strongly agree, highlighting a similar sentiment.

When asked about the likelihood of changing their bank, Fidelity Bank had the highest proportion of customers strongly disagreeing at 35.2%, possibly indicating strong loyalty or satisfaction among these clients. Meanwhile, UBA displayed a comparatively higher proportion of strong agreement at 20.7%, suggesting a firm customer base less inclined to switch banks. The statement about the inability to change banks, even for a better one, revealed a notable openness among customers to switch banks. Both Fidelity Bank and First Bank Nigeria Plc had a significant portion of customers strongly disagreeing, indicating a willingness to consider other banking options, at 9.7% and 9.8%, respectively. In terms of defending their bank, the responses were mixed. First Bank Nigeria Plc had the highest rate of strong disagreement at 38.6%, suggesting less advocacy among its customers. On the other hand, UBA had a slightly higher percentage of customers strongly agreeing, at 12.9%, indicating a more committed customer base. Finally, the survey addressed customer referrals to their banks. Fidelity Bank and First Bank Nigeria Plc saw the highest levels of strong disagreement at 48.5% and 49.2%, respectively, suggesting a hesitancy among many customers to recommend their banks, possibly reflecting concerns over the banks' services or customer satisfaction.

In this study, the effect of promotional activities on customer loyalty within several prominent banks Zenith, Fidelity Bank, First Bank, and UBA was examined. Zenith Bank demonstrated a robust positive influence from promotional activities on customer loyalty. The regression analysis revealed significant coefficients such as 0.334 ( $p < 0.001$ ) for the type of promotion and 0.427 ( $p < 0.001$ ) for the type of marketing mix, indicating that these factors substantially increase customer loyalty. Additionally, the objectives of promotion showed a coefficient of 0.559 ( $p < 0.001$ ), and the frequency of promotion had a strong positive impact with a coefficient of 1.110 ( $p < 0.001$ ). Given these significant positive effects, the study rejects the null hypothesis for Zenith, confirming that promotional activities indeed enhance customer loyalty.



Table 4: Summary of multiple regression analysis showing the effect of Promotion activity on customer loyalty in Banks

Variable	Zenith	Fidelity Bank	First Bank	UBA
(Constant)	20.041*** (1.261)	17.443*** (1.503)	11.570*** (1.581)	10.157*** (1.530)
Aware of sales promotion	0.154 (0.395)	-2.081*** (0.450)	0.444 (0.422)	0.481 (0.499)
Type of Promotion	0.334*** (0.094)	0.128 (0.104)	-0.166 (0.091)	0.402*** (.103)
Type of Marketing mix	0.427*** (0.119)	-0.021 (0.159)	0.295* (0.137)	0.382* (0.177)
Objectives of Promotion	0.559*** (0.192)	0.815*** (0.183)	1.034*** (0.192)	0.042 (0.189)
Duration of Promotion	0.313 (0.219)	0.628** (0.223)	0.201 (0.239)	0.184 (0.253)
Frequency of Promotion	1.110*** (0.195)	-1.336*** (0.257)	-0.164 (0.242)	0.503 (0.271)
R2	0.099	0.091	0.047	0.034

Note:  $N=2662$ ,  $**P<0.05$   $p = 0.000$ ; Source: Author's Compilation

Fidelity Bank presented more complex results; awareness of sales promotions negatively impacted customer loyalty with a coefficient of -2.081 ( $p < 0.001$ ), suggesting that this factor might be counterproductive. Conversely, the duration of promotions was positively correlated with customer loyalty, showing a coefficient of 0.628 ( $p < 0.01$ ). The mixed outcomes—significant negative and positive effects—lead us to reject the null hypothesis for Fidelity Bank, indicating that promotional activities significantly influence customer loyalty, though the direction of the impact varies. First Bank showed a significant boost in customer loyalty from well-defined promotional objectives, with a coefficient of 1.034 ( $p < 0.001$ ), but a negative effect from the type of promotion, with a coefficient of -0.166. Despite the mixed impacts, the presence of significant effects prompts us to reject the null hypothesis for First Bank, acknowledging that promotional activities do influence customer loyalty. For UBA, the analysis did not reveal significant impacts from promotional activities, as coefficients like 0.042 for the objectives of promotion and 0.481 for awareness of sales promotions were not statistically significant. Thus, for UBA, we fail to reject the null hypothesis, suggesting that promotional activities do not have a discernible impact on customer loyalty.

The detailed figures from the regression analysis underscore that while promotional activities generally affect customer loyalty across Zenith, Fidelity, and First Bank, the specific nature and effectiveness of these promotions vary significantly. For UBA, the evidence suggests that current promotional strategies might not effectively influence customer loyalty. This analysis not only confirms the significant role of targeted promotional efforts in shaping customer perceptions and behaviors but also highlights the importance of aligning these promotions with the customers' values and expectations to achieve desired outcomes.

*Discussion*

The findings from the regression analyses in Jigawa State, illuminated by the foundational theories and studies introduced earlier, offer profound insights into the complexities of promotion and customer loyalty within the banking sector. The effectiveness of promotional strategies in enhancing customer loyalty, as demonstrated by the varied results from Zenith Bank, Fidelity Bank, First Bank PLC, UBA, and across Jigawa State, aligns closely with the principles outlined by Kotler & Keller (2016), Zephaniah, Ogba & Izogo (2020), and Chaffey and Ellis-Chadwick (2019). These authors underscore the critical role of marketing and communication strategies in informing and persuading customers, a theme resonant in our findings where specific promotional factors like the type of promotion and marketing mix notably influenced customer loyalty.

The study also supports the perspectives of Kumar and Reinartz (2003) and Oliver (1999), who discuss the evolution of promotion with digital marketing's integration into customer experiences. The disparate impact of promotional strategies across banks in Jigawa State may reflect the extent to which each institution has adopted digital and customer-centric approaches, increasingly essential in modern banking. Additionally, Hofstede's (2001) insights on the importance of cultural sensitivity in promotional strategies provide a contextual backdrop, suggesting that the mixed results across banks could stem from how well these institutions have tailored their promotions to the unique cultural and socio-economic context of the region.

Furthermore, the relationship between promotion and customer loyalty correlates strongly with the Behavioral Perspective Model (BPM) as proposed by Foxall (1990) and later expanded upon by Borgardt (2019) and Wambua (2023). This model, which focuses on behavior modification through external stimuli, aligns with our findings where aspects such as the type, objectives, and frequency of promotion had varied impacts on customer loyalty. For instance, the significant positive effect of the type and objectives of promotion on customer loyalty reflects BPM's emphasis on effective behavior modification techniques. These promotional aspects can be seen as positive reinforcements that increase the likelihood of repeat customer behavior, as suggested by Rothschild and Gaidis (1981). Conversely, the negative or non-significant impact of factors like awareness of sales promotions in some cases might indicate limitations of these strategies within particular environmental or cultural contexts, as critiqued by Foxall (2023) in his revision of radical behaviorism.

In conclusion, the study's findings in the Nigerian banking sector, particularly in Jigawa State, echo the global shift toward personalized and digital banking strategies highlighted by Kumar and Reinartz (2003) and Chaffey and Ellis-Chadwick (2019). The varied effectiveness of promotional strategies across different banks suggests a complex interplay between promotion and customer loyalty, further illuminated by theories and studies in service marketing and consumer behavior. This variability underscores the necessity for promotional strategies that are not only well-designed in terms of marketing mix and types but also deeply attuned to the cultural, digital, and emotional dimensions of customer engagement.

### **5. Conclusion and Recommendations**

This study, unique in its focus on various banks in Jigawa State, provides novel insights into the complexities of promotional strategies and their profound impact on customer loyalty. The findings not only confirm the importance of targeted and meticulously designed promotions in cultivating customer loyalty, but also shed new light on the role of factors such as the type, objectives, and even the duration and frequency of promotions. These findings, which align with the views of esteemed marketing scholars like Kotler & Keller (2016), Zephaniah, Ogba & Izogo (2020), and Chaffey & Ellis-Chadwick (2019), underscore the critical need to tailor promotional activities to customer preferences and digital trends. Furthermore, the study highlights the essential role of cultural sensitivity in crafting effective promotional strategies. The effectiveness of these strategies varied significantly across different banks in Jigawa State, suggesting that unique socio-economic and cultural contexts deeply influence promotional outcomes. This variability underscores the necessity for a customer-centric approach in promotional planning. Additionally, the application of Foxall's Behavioral Perspective Model (BPM) (1990) within the analysis confirms that customer behaviour in the banking sector can be effectively shaped through well-conceived and strategically implemented promotional activities. Conclusively this research not only establishes the substantial and measurable impact of promotional strategies on customer loyalty within the banking sector, but also provides practical guidance for banks. This study advocates for the use of thoughtful, culturally informed, and strategically aligned promotional efforts to optimize customer engagement and loyalty. These findings have direct implications for the banking industry, emphasizing the need for a customer-centric approach in promotional planning.

Based on the study's findings, the following recommendations are proposed for the banking sector in Jigawa State, given the strong positive impact of various promotional elements such as the type of promotion, marketing mix, objectives of promotion, and frequency, it is recommended that Zenith Bank continues to refine these aspects. The bank should increase the frequency and diversify the types of promotions while ensuring that the marketing mix and objectives remain aligned with customer expectations and evolving market trends. The complex results observed at Fidelity Bank, with some promotional aspects having a negative impact, underscore the need for a more nuanced approach. Fidelity Bank should conduct further analysis to understand the negative perceptions associated with sales promotion awareness. This understanding is crucial for adjusting its promotional messaging to mitigate adverse effects. Simultaneously, enhancing aspects that have shown positive effects, such as the duration of promotions, could compensate for the negative impacts. The significant boost in customer loyalty from well-defined promotional objectives at First Bank indicates the effectiveness of precise and targeted promotional strategies. However, the negative impact of certain types of promotions suggests a mismatch with customer preferences or expectations. First Bank should focus on adjusting these promotion types to better align with customer desires and possibly reevaluate the promotional content or channels used. The lack of significant impacts from promotional activities at UBA suggests that their current strategies may need to be sufficiently tailored to their customer base or compelling enough to influence loyalty. UBA should consider a comprehensive review and possibly redesign its promotional strategies, focusing on more innovative and engaging approaches that resonate

with its customers' values and expectations. Given the varying effectiveness of promotional strategies across different banks, a customer-centric approach tailored to each bank's clientele's demographic and cultural context is crucial. All banks should consider employing advanced analytics to gain deeper insights into customer preferences and behaviours. This could inform more personalized and effective promotional strategies.

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