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Retention strategy device for recovering lost customers of united bank of Africa in Ado-Ekiti

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Abstract

The study examined retention strategy: a tool of recovering lost customers of UBA in Ado Ekiti. The specific objectives are to: determine the effect of birthday message on recovering lost customers; examine the effect of interest rate on recovering lost customers; determine the effect of innovative product on recovering lost customers. A descriptive survey research design was adopted for the study. The population of the study comprised UBA customers in Ado Ekiti. The sample size was 399 which were selected through Yamane sampling Model. Primary data used for the study were gathered through structured questionnaire. Questionnaire was used to elicit information from the target respondents. Data gathered were analyzed using regression model. The result showed that product birthday message positively affect recovering lost customers as it was significant on recovering lost customers (t=7.685, t=1.103, p<0.05); it further showed that interest rate affects recovering lost customers as it was significant on recovering lost customers (t= 5.871, t= 1.769,p<0.05); furthermore, it showed that innovative product affect recovering lost customers positively as it was significant on recovering lost customers (t=2.659,t= 6.804, p<0.05). Thus, it concluded that retention strategy positively affects recovering lost customers.

Keywords: Bank; Retention; Customer; Satisfaction; Services; Innovative; Product; Loyalty; Organization; Retaining

1. Introduction

Today's competitive environment maximizes customer retention probability so as to sustain the company's protection against inroads competition. Customer retention is needed to achieve this goal. Ramakrishnan (2006) defines customer retention as the marketing goal of preventing customers from going to the competitor. Customer retention is the way in which organizations focus their efforts on existing customers in an effort to continue doing business with them (Mostert, 2009). This shows that for any organization to retain its existing customers, it is of the opinion that when a customer is satisfied, there is possibility of repeat patronage and consequently leads to retaining such customer.

Customer retention is important when loyalty is decreasing and sales cycles are aggravating the business environment. Under these circumstances, losing an important customer to a competitor would impact significantly on the organization's profitability and growth. Existing literature on the customer retention strategies employed within the service sector worldwide indicates that different service industries adopt different retention strategies. In the banking industry, for instance in New Zealand, there has been a revaluation of customer retention strategies in order to limit defection through focusing on employee training. In the South African fast foods industry, customer retention has tended to focus on the evaluation of CRM as the major strategy for retaining customers.

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Despite the central role in the economy, banks are faced with intense competition as a result of many similar products offered in the market, fast changing technological advancements and demanding customers. These challenges have rendered most traditional forms of competitive advantage like cost management, technology, product features and robust marketing strategies ineffective. Due to this, most banks have resorted to customers' retention. While there is existing research about customer retention in the banking industry around the world, much work has been done on this study such as Datta (2013) in United Kingdom and Talak and Albert (2013) in Zimbabwe to mention few, the study will investigate the applicability of their findings for generalization purpose especially in UBA Ado-Ekiti metropolis.

2. Literature review

2.1. Customer Retention

In the banking industry, "personalized services" are often cited as a critical component of retention strategies. Studies show that personalized financial products and services can significantly improve customer satisfaction and loyalty. Lovelock and Wirtz (2016) argue that customization in service offerings allows banks to meet individual customer needs, creating a sense of value and satisfaction that fosters loyalty. This approach is particularly relevant for UBA in Ado-Ekiti, where personalized interactions can build stronger relationships in a community-driven market.

Customer retention involves a series of actions aimed at keeping existing customers engaged with a business while also attracting those who may have stopped using its services. According to Zeithaml, Bitner, & Gremler, (2013). Retention strategies are often more cost-effective than customer acquisition strategies, as retaining an existing customer costs five to seven times less than acquiring a new one. Therefore, banks like the United Bank of Africa (UBA) must prioritize customer retention to maintain profitability and market share.

Customer retention involves the steps taken by a selling organization in order to reduce customer defection. Successful customer retention starts with the first contact an organization has with a customer and continues throughout the entire lifetime of a relationship. Customer retention is important to most companies because the cost of acquiring a new customer is far greater than the cost of maintaining a relationship with a current customer (Ro King, 2005).

The argument for customer retention is relatively straightforward. It is more economical to keep customers than to acquire new ones. The costs of acquiring customers to "replace" those who have been lost are high. This is because the expense of acquiring customers is incurred only in the beginning stages of the commercial relationship (Reichheld & Kenny, 1990). In addition, longer-term customers buy more and if satisfied may generate positive word-of mouth promotion for the company. Additionally, long-term customers also take less of the company's time and are less sensitive to price changes (Healy, 1999). These findings highlight the opportunity for management to acquire referral business, as it is often of superior quality and inexpensive to obtain. Thus, it is believed that reducing customer defections by as little as five percent can double the profits (Healy, 1999).

While customer retention focuses on keeping existing customers, a crucial aspect of business strategy involves recovering those who have left. Recovering lost customers is an effective way to boost profitability, especially when banks address the reasons why customers left. For instance, companies can benefit from exit surveys and feedback mechanisms to identify common causes of dissatisfaction (Kotler & Keller, 2016). This information can then be used to tailor win-back strategies, targeting former customers with customized offers or improved services that specifically address their concerns.

Research has highlighted "win-back strategies" as a means to recover lost customers. According to Griffin and Lowenstein (2001), win-back efforts are most successful when companies proactively address the reasons for customer churn and present compelling reasons for former customers to return. This may involve targeted marketing campaigns, special promotions, or improved service offerings. For UBA in Ado-Ekiti, a comprehensive win-back campaign that addresses common customer complaints—such as high fees or service issues—could significantly reclaim lost clients.

2.2. Recovering Lost Customers

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2.3. Digital Banking and Technological Innovation

The rise of "digital banking" has transformed how banks interact with their customers, providing new opportunities for retention and reclamation. Research by Lassar, Manolis, and Lassar (2005) suggests that banks that offer convenient, reliable, and secure digital banking services tend to retain customers at a higher rate. Digital solutions enable personalized communication and offer customers 24/7 access to their accounts, reducing the likelihood of churn due to dissatisfaction with service convenience. UBA, with an increasing number of tech-savvy customers in Ado-Ekiti, can leverage its digital platforms to provide seamless services, which may reclaim lost customers dissatisfied with older, less efficient systems.

Moreover, advancements in "Customer Relationship Management (CRM) systems" have made it easier for banks to track customer behaviors and preferences. These systems allow for targeted marketing, real-time service adjustments, and personalized offers that can draw back former customers (Payne & Frow, 2013). For UBA, implementing an advanced CRM system would enable more effective customer engagement strategies, identifying early signs of dissatisfaction and offering solutions before a customer leaves.

2.4. Factors Influencing Customer Retention in the Banking Sector

Several studies have identified key factors influencing customer retention in banking. According to Afsar et al. (2010), service quality, trust, and customer satisfaction are the most important determinants of retention. A customer's perception of a bank's reliability, transparency, and responsiveness directly impacts their decision to stay with or leave a financial institution. Therefore, UBA's ability to deliver high-quality service consistently and maintain strong customer relationships will be critical in both retaining and recovering customers in Ado-Ekiti.

2.5. Customer Retention Strategies

2.5.1. Low Interest Rate

Price is the only "p" from the marketing mix that contribute directly to revenue, the other Ps are costs. In customer perceived value, price is important. (Buttle, 2008; Monroe, 1991; Zeithaml, 1998) According to Zeithaml (1998) some customers value low price. Most authors subscribe to the definition that price is perceived by customers to be a trade-off between the price paid and the quality they experience in consuming the product. Monroe (1991) defines customer value as the reduction in costs and a corresponding increase in the benefits that accrue to the customer. Thus from the above argument price becomes an important factor in customer's evaluation of value. Zeithaml (1998) defines customer value as the overall assessment of the utility of a product based on a perception of what is received and has been paid. Thus it becomes an important factor in the value equation. Value = Benefits /sacrifices. Price as a denominator if reduced will lead to more value (Monroe, 1991). Price thus in this case can be used to either retain or increase usage rate and frequency and ultimately the amount. Price satisfaction enhances customer value perception and there is direct relationship between price and value (Ralston, 2003). Price is a key factor in inducing re-buys behaviour depending on how price sensitive customer constituent may be (Hidalgo, 2008).

2.5.2. Innovative product

An important strategy is delighting the customer**.** That is delivering the promise. It entails understanding customer value and designing delivery of the appropriate value proposition. Customers whose needs and expectations are met or exceeded are easy to retain. It is the delighted customer who will retain (Buttle, 2008). Firms or organisations should meet or exceed customer expectations on important attributes such as quality, service, price stability, and style. Value adding program is the second strategy which includes loyalty schemes; these reward customers for their patronage. The more the customer spends the higher the rewards**.** Value derived is basically in five forms**:** cash value, redemption value-(how wide a range of rewards), inspirational value (how much does the customer want the value), relevance value, convenience value. The third strategy is customer clubs which offer both financial and social benefits to the customer. Penetration marketing strategy comprise of cross-selling and up- selling tactics. It reduces customer search costs and provides much needed product range and convenience, one stop shop concept. It is about maximizing the value to the customer and optimizing the sales to current customer (share of wallet.)

2.5.3. Birthday Messages

Birthday wishes are helpful in developing an emotional connection between a client and a retailer. Unlike price promotion strategies, these messages convey appreciation towards the customers. Personalized customer attention promotes repeat buying and customer loyalty because it creates a bond between a client and the retailer based on positive feelings. Wishing clients a happy birthday is an easy and inexpensive way of creating repeat business. this indicate that customer retention through relationship management is nine times cheaper than the acquisition of new clients. This makes birthday wishes a valuable tool for companies. Despite the significant advantages that happy birthday wishes offer to companies, this CRM strategy should be used with caution. Care should be taken to avoid bombarding clients with monotonous and annoying messages. Personalized messages are appealing, and they do not sound like a tawdry advertisement. Companies should avoid using business logos in birthday and anniversary messages so that clients do not feel manipulated into buying from the retailer. The gesture should be purely appreciative.

2.5.4. Other Customer Service Strategy

As suggested by Kotler (2003), growth is the fundamental strategic challenge for business leaders. Creativity is essential for sustained growth. Effective execution of existing strategies can bring increased revenue and profits, but the most successful strategies are often the most creative, delivering growth by developing new ones. Many organizations are faced with significant challenges in the area of customer service and service delivery, both internally and externally. The constant change in demographics coupled with high customer expectations is making organizations rethink its customer service strategies. Kotler again says that strategies and tactics that worked in the past are less effective and require more effort to execute. In an era where service has become a defining factor for customers, organizations of all types struggle to find the unique balance between delivery of a service, the cost of the delivery and customer expectations. A winning customer service strategy, according to Julie Mohr (2008) includes six steps:

- **Solicit**: Solicit customer complaints and feedback; Resolve: Resolve customer complaints on first contact; Track: Track, trend and proactively eliminate customer complaints using the problem management system; Survey: Survey customers on a regular basis; Train: Train employees, based upon complaints, survey results and performance metrics, to increase quality of customer service and improve complaint resolution; and Market: Market the winning customer service strategy to help desk employees and customers to establish expectation.
- **Profits**: Good customer service departments understand the relationship between the way they greet, treat and handle customers and the bottom line. Efficient customer service departments seek to solve problems as they occur, and, if possible, prevent them in the first place. For instance, when processing an order for products or services, good customer service departments will ask necessary questions to ensure the customer is ordering the correct item or service, and will verify the data before ending the call or contact to verify accuracy. This can reduce the drain on company resources and increase customer satisfaction by reducing the number of returns, complaints and problems that crop up because of poor handling. In addition, properly trained representatives can effectively cross-sell additional products or services while processing customer orders, thereby increasing sales.
- **Loyalty**: Treating customers with respect, greeting them with enthusiasm and going above and beyond to resolve any problems and issues can keep customers coming back. When companies seek to resolve problems and issues in a quick, pleasant and efficient manner, customers remain confident in the company and continue the business relationship. In addition, happy customers help spread positive word-of-mouth, resulting in an additional avenue for marketing and advertising for your company.
- **Internal Benefits**: Good customer service provides exceptional customer service to external and internal customers. Internal customers, including marketing and product development, depend on the data collected from customer service contacts to improve existing products and services. This data can include information related to safety issues, production problems and poor performance. The internal benefits of good customer service also stretch beyond current products and services. Good customer service departments capitalize on the ideas customers provide for suggested products and services, leading to opportunities for new innovations and revenue streams (Pilkington 2006).

2.5.5. Challenges of Customer Retention

Despite the advantages of retention strategies, banks face several challenges in implementing them effectively. For example, “customer expectations” are constantly evolving, making it difficult to maintain consistent satisfaction (Zeithaml et al., 2013). In addition, the banking industry is highly competitive, with new financial technology (FinTech) companies offering innovative services that attract previously loyal customers (Deloitte, 2020). UBA will need to stay ahead of these challenges by continuously adapting its services and offering competitive solutions tailored to the needs of its customer base in Ado-Ekiti.

2.5.6. Customer Satisfaction

The definition of customer satisfaction (CS), as specified by ISO (2004), customer Satisfaction is the "customer's perception of the degree to which the customer's requirements have been fulfilled" (ISO, 2004). The marketing departments of firms have sought improvement of services using customer satisfaction as a benchmark for performance evaluation. The public sector also uses customer satisfaction as a service index. New Public Management (NPM) reforms employ CS as part of the evaluation of administrative services, and the Government Performance Results Act (GPRA) states that the government of the USA shall disclose CS data as a benchmark of its performance. Therefore, customer satisfaction can be regarded as a common evaluation scale for measuring customer satisfaction or dissatisfaction for quality of service. Satisfaction is defined as an emotional post-consumption response that may occur as a result of comparing expected and actual performance (disconfirmation),or it can be an outcome that occurs without comparing expectations (Oliver,1996). Contemporary literature on satisfaction in addition defines customer satisfaction as the primary and direct link to outcome measures (Anderson & Fornell, 1994; Andreassen, 1998; Athanassopoulos, 1999; Bolton & Lemon, 1999; Clow & Beisel, 1995; Ennew & Binks, 1999; Fornell, 1996; Hallowell, 1996; Mohr & Bitner, 1995; Spreng, Mackenzie, & Olshavsky, 1996).

2.5.7. Service Dimensions

- **Assurance**: Assurance is defined as "the employees' knowledge and courtesy and the service provider's ability to inspire trust and confidence" (Zeithaml, 2006). According to Andaleeb and Conway (2006), assurance may not be so important relative to other industries where the risk is higher and the outcome of using the service is uncertain. Thus, for the Customer Satisfaction in the banking industry, assurance is an important dimension that customers look at in assessing a bank's operation. The trust and confidence may be represented in the personnel who link the customer to the organization (Zeithaml, 2006).
- **Empathy**: Empathy is defined as the "caring, individualized attention the firm provides its customer (Zeithaml et al., 2006, p. 120). The customer is treated as if he is unique and special. There are several ways that empathy can be provided: knowing the customer's name, his preferences and his needs. Many small companies use this ability to provide customized services as a competitive advantage over the larger firms (Zeithaml 2006). This dimension is also more suitable in industries where building relationships with customers ensures the firm's survival as opposed to "transaction marketing" (Andaleeb & Conway, 2006). Thus, in the context of banking, empathy may be applicable where customers look for quick service and the queues at the counters are long.
- **Reliability**: Reliability is defined as "the ability to perform the promised service dependably and accurately" or "delivering on its promises" (Zeithaml 2006).This dimension is critical as all customers want to deal with firms that keep their promises and this is generally implicitly communicated to the firm's customers.
- **Responsiveness**: Responsiveness "is the willingness to help customers and provide prompt service" (Zeithaml, 2006). This dimension is concerned with dealing with the customer's requests, questions and complaints promptly and attentively. A firm is known to be responsive when it communicates to its customers how long it would take to get answers or have their problems dealt with. To be successful, companies need to look at responsiveness from the view point of the customer rather than the company's perspective (Zeithaml 2006).
- **Tangibles**: This dimension, which is defined as the physical appearance of facilities, equipment, staff, and written materials. It translates to the bank's interiors, the appearance and condition of facilities, and uniform of the staff (Zeithamal 2006). Tangibles are used by firms to convey image and signal quality (Zeithaml 2006).

2.5.8. Determinants of Customer Satisfaction

Since the early 1970s, in the literature of consumer satisfaction, numerous theoretical structures have been proposed to examine the antecedents of satisfaction and develop meaningful measures of the construct. Most of these studies have used some variant of the disconfirmation paradigm which holds that satisfaction is related to the size and direction of the disconfirmation experience, relating to the persons initial expectations.

Oliver (1977) has stressed the importance of measuring disconfirmation apart from expectation, as he maintains the construct has an independent, effect on satisfaction. Disconfirmation is determined jointly by the combination of the expectation and performance manipulations. More specifically, an individual's expectations are: (1) confirmed when a product performs as expected, (2) negatively disconfirmed when the product performs more poorly than expected, and (3) positively disconfirmed when the product performs better than expected. Dissatisfaction results when a person's expectations are negatively disconfirmed.

The full disconfirmation paradigm encompasses four constructs: expectations, performance, disconfirmation, and satisfaction. Churchill and Surprenant (1982) Expectations reflect anticipated performance. The primary importance of performance in the satisfaction literature has been as a standard of comparison by which to assess disconfirmation. Disconfirmation occupies a central position as a crucial intervening variable. It arises from discrepancies between prior expectations and actual performance. It is presumably the magnitude of the disconfirmation effect that generates satisfaction and dissatisfaction. Conceptually, satisfaction is an outcome of purchase and use resulting from the buyer's comparison of the rewards and costs of the purchase in relation to the anticipated consequences. Operationally, satisfaction is similar to attitude in that it can be assessed as the sum of the satisfactions with the various attributes of the product or service (Caruana, 2002).

2.6. Theoretical Literature

2.6.1. Sharma and Patterson 1999 (Relationship Commitment Model)

The two identified factors that influence relationship commitment or bonding are viewed as; communication effectiveness; technical Quality functional quality and trust. All the first three factors have an impact on trust, which in turn positively or negatively influence relationship commitment. Trust is defined by Sharma and Patterson (1990) as the belief that the service provider can be relied upon and that the provider will deliver the promise effectively, that they will meet their needs. Crossby (1990) define it as reliance on, or confidence in the person or process. Services are acts, deeds or performances .As a result the customer cannot evaluate the value / quality before consuming them, thus they generate high customer perceived risk. Thus the service marketer's effort should go towards boosting customer confidence in the service provider by providing physical proxies to tangibilise the services. The greater the trust the stronger the relationship. (Morgan & Hunt, 1994; Gummesson, 2008) If a firm meets or exceeds customer needs then the customer will be satisfied. Customer satisfaction is viewed as a trust booster resulting from the customer brand experience, at times resulting from word of mouth. (Sharma & Patterson, 1999; Gronroos, 2004) they define Service quality as having two components Functional Quality and Technical quality. Technical is the outcome, the core benefits of the service. It also involves the interaction between customers and the frontline staff, other technical support services they get from the customer care. Both technical and functional quality do affect customer perceived quality and finally satisfaction. In service marketing customers do only measure the outcome quality but the process quality is influential in their judgment of quality. Therefore the higher the customer perception of technical and functional quality the higher the trust and customer satisfaction and the relationship commitment (Sharma & Petterson, 1999) Partners in a relationship need to decide on how they will communicate, the type and amount of information they need to share. How frequently they must exchange the information. Communication must be two way process, where the organization can pass on information to inform customer of new products, advice on product usage, birthday messages. Finally, all the retention variable like birthday messages, interest rate and innovative product will surely influence customer's satisfaction, retaining customers and reclaim the lost customers through these retention strategy.

2.6.2. Customer Service Theory

The customer service theory was coined by Anderson, this theory posit that customer retention can be achieved by taking into cognizance loyalty and satisfaction of customers. A company's lack of understanding of customer service basic principles such as their concerns and comforts, can lead to its failure as it puts off purchasers. Thus, company owners must be fully involved in fulfilling needs of its customers if it has to be successful. A lack of compliance by firms means being unsuccessful which is bad for business. Therefore, customers must be paid attention to if their loyalty is to be achieved and revenue generation at large (Anderson, 2000).

Good service to customer means that they become loyal to you. This is achievable through a particular procedure Anderson considers as "equation of fantastic service". first impression matters, hence, in the first step, greeting of your buyer is essential as it creates the "at home" feeling. Then identify what the client exactly needs and meet them with great efficiency through checking and re-checking those needs to ensure they suit. Remember, the objective in creation of a not only friendly but also personal relationship that could lead to further positive association. Then finally, ensure the buyer receives a return incentive and that defines an amazing service that makes a client want to come back. All a customer craves for is an experience that he or she considers pleasant and efficient.

A customer usually has expectations concerning particular goods or services that hope to be confirmed. If confirmed the firm is a step ahead to customer loyalty. The more customer's expectations are fulfilled the more they want to come back and the vice versa is also true. The key to expectation confirmation is for firms to be reliable and consistent and trust. This is based on the fact that clients are more attached to firms they fully trust to deliver and it can take time to create such. This is a virtue also applicable to the firm's employees as they need some psychological safety. Therefore, when trust is build, long term relation is assured (Anderson, 2000).

3. Research Method

3.1. Research Design

Luck and Rubin (2010) defined research design as the determination and statement of the general research approach or strategy adopted for the particular project. The research design adopted for this study is descriptive survey research design.

3.2. Source and Methods of Data Collection

Duranvile (2014) asserted that primary data is the information collected from sources such as personal interviews, questionnaires or surveys with a specific intention and on a specific subject, and observation and discussion by the researcher. Therefore, the data that will be used for this research work will be gathered through the primary source.

3.3. Population of study

Bryman (2003) describe a study population as the whole group that the research focuses on. A population consist all subject, element or attribute possessing common attribute under observation at a particular time. Population defines the limit within which the research finding is applicable. The study's population comprises UBA Bank Customers of the three branches (GRA branch, Ajilosun branch and EKSU branch) in Ado-Ekiti. Based on customer's record and discussion with each of the managers from the branches, UBA Bank road have 27,500, Ajilosun Branch have 8,300 while EKSU branch have 4,200. Thus the total population is 40,000.

3.4. Sample Size and Sampling Technique

A sample is defined as any part of a population. A sample therefore is a subset of the entire population of any kind. Sample size for this study is 399 using Yamane (1967).multistage sampling technique will be used. Firstly stratified sampling will be use to select the bank branches based on location while heterogeneous purposive sampling will be use to select the respondents. This is because customers are from various categories.

The sample for this study was derived using Taro statistical formula to determine the sample size of the population. This is clearly calculated below:

$$N = \frac{N}{1 + N\,(e)^2}$$

Where

- n= Sample size to be tested
- N= Total population size
- e = Acceptable error term (0.05)

Therefore, the total sample size is calculated thus

$$N = \frac{40{,}000}{1 + 40{,}000(0.05)^2}$$

$$= \quad 399$$

3.5. Research Instrument

The structured questionnaire is so designed to have options Strongly Agree, Agree, Uncertain, Disagree and Strongly Disagree to tick wherever applicable by the respondents. Data to be used for the study will be collected through the circulation of carefully designed questionnaires to customers of UBA in Ado-Ekiti. The questionnaire will be divided into five sub-sections which section A will be to elicit demographic information from respondents. Section B will be used to elicit information on birthday messages, section C has to do with interest rate while section D will be used to elicit information on innovative product and finally, section E will also be used to elicit information on recovering lost customers.

3.6. Validity and Reliability of Research Instrument

Validity is important in determining whether the statement in the questionnaire instrument is relevant to the study. Content and Face validity were obtained. Face validity will be done by giving the questionnaires to expert in the field to judge the appropriateness of the wordings while the expert's corrections and with the supervisors will be subjected to content in order to determine the relevance of the item. Reliability is the ability of a research instrument to consistently measure characteristics of interest over time. It is the degree to which a research instrument yields consistent results or data after repeated trials. In other word to ascertain the reliability of the instrument, questionnaires have been used by several researchers who have come out with reliable solution to the problems. Cronbach alpha reliability coefficients of one dependent, one independent variable broken down to three hypotheses were obtained, the alpha value of the research instrument is expected to exhibit an acceptable degree of reliability (alpha >68).

3.7. Method of Data Analysis

For the purpose of this study, descriptive and inferential statistic will be used descriptive statistic will including the use of frequency table to analyze the demographic information. The data generated through questionnaire will be analyzed with the use of multiple regression analysis for the stated objectives. It is noted that the T - statistic measure shall be used to test the hypotheses generated in this study.

Therefore, the regression line is stated below:

$$Y= bo +b1x1+ b2x2+ b3x3+ Ui$$

- Y = F'(X)
- Y = (Recovering Lost Customers) Dependent Variable
- X = Independent Variable

$$RLC= F' (PL, PW, PC)$$

Where:

- BM........................ Birthday Message
- IR ....Interest Rate
- IP ....Innovative Product
- B0= Intercept/ Constant
- Ui= Error Term

4. Results and discussion

4.1. Description of Respondent

Table 1 Age Distribution

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 20	40	12.6	12.6	12.6
	21-30	66	20.8	20.8	33.3
	31-40	124	39.0	39.0	72.3
	40 Above	88	27.7	27.7	100.0
	Total	318	100.0	100.0	

Source: Field survey, 2024

4.2. Distribution of Respondent by Age

The table shows that 12.6% of the respondents falls below 20 years of age, 20.8% of the respondent falls between 21-30 years of age, 39% of the respondent falls between 31-40 years of age and 27.7% of the respondent falls above 41 years of age thus implies that majority of the respondent falls 31-40 years of age.

Table 2 Gender Distribution

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	114	35.8	35.8	35.8
	Female	204	64.2	64.2	100.0
	Total	318	100.0	100.0	

Source: Field survey, 2024

4.3. Distribution of Respondent by Gender

Table 4.1.2 shows 35.8% Male and 64.2 Female which implies most of the respondents are Female.

Table 3 Marital Status Distribution

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	78	24.5	24.5	24.5
	married	210	66.0	66.0	90.6
	Divorced	30	9.4	9.4	100.0
	Total	318	100.0	100.0	

Source: Field survey, 2024

4.4. Distribution of Respondent by Marital Status

The table shows that 24.5% of the respondents were single, 66.0% of the respondents were married and 9.4% of the respondents were divorced thus imply majority of the respondent were Married.

Table 4 Educational Qualifications

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	O level	56	17.6	17.6	17.6
	OND/NCE	100	31.4	31.4	49.1
	HND/B.Sc	122	38.4	38.4	87.4
	MBA/MSC	40	12.6	12.6	100.0
	Total	318	100.0	100.0	

Source: Field survey, 2024

4.5. Distribution of Respondent by Education Qualification

The table shows that 17.6% of the respondents were O level holder, 31.4% of the respondents were OND/NCE holder, 38.4% of the respondents were HND/B.Sc holder and 12.6% of the respondents were MBA/M.Sc holder thus implies that majority of the respondent were HND/B.Sc holder.

4.6. Discussion of result Based on Specific Objectives

4.6.1. Hypothesis one

Birthday message has no positive impact on recovering lost customers in UBA, Ado-Ekiti.

4.6.2. Co-efficient of multiple determinants

It was revealed that the correlation co-efficient between recovering lost customers and the explanatory variable on birthday message show a positive figure of 0.457, this indicates that there is a moderate relationship between birthday message and recovering lost customers which implies that the explanatory variable has a positive effect on recovering lost customers.

Table 5 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		Sig F. Change
					R Square Change	F Change	
1	0.457	0.209	0.204	0.630	0.209	41.681	0.000

Source: Field survey, 2024

The co-efficient of multiple determinant (R^2) with a co-efficient of 0.209 shows that the explanatory variable can explain 20.9% of the behaviour of recovering lost customers while the remaining 79.1% can be explained by the stochastic variable or other variables that were not put into consideration.

The adjusted R^2 further confirms the result of the R^2 with a co-efficient of 0.204, which shows 20.4% explanation of the behaviour of the recovering lost customers by the explanatory variables after adjustment while the remaining 79.6% is explained by the error term.

- **NOTE:** the value of R^2 test for the goodness of fit i.e How fitted the data is which is 0.209 (20.9%)

Table 6 Co-efficient

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.674	0.245		6.823	0.000
	Yearly wishes	0.499	0.065	o.427	7.685	0.000
	Retention	0.052	0.047	0.061	1.103	0.271

Source: Field survey, 2024

The table gives a summary of the regression result of the ordinal least square using SPSS 20.0 software. From the table it can be deduced that the value of constant parameter is given as 1.674 and birthday message are 0.499, and 0.052 respectively.

Therefore, the regression line is stated below:

Y= bo +b1x1+ Ui

- Y= independent variable
- B0= Intercept/ Constant

B1,b2,b3,.......................bn= Estimated Parameter

X1,x2,x3, ...xn= Independent Variable

Ui= Error Term

Y=1.674+0.499x1 +0.052x2+ Ui

The regression result above shows that recovering lost customers is constant at 1.674; this implies that if the explanatory variable is held constant, recovering lost customers will increase by 1.674%.The co-efficient of birthday message are given as are 0.499, and 0.052 respectively, this shows that the birthday message is positively related to recovering lost customers and therefore implies that an increase in birthday message will result in to 49.9% and 5.2% all at 0.05 level of significance increases on recovering lost customers.

Table 7 ONE WAY ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	33.045	2	16.523	41.681	0.000
	Residual	124.867	315	.396		
	Total	157.912	317			

Source: Field survey, 2024

4.7. Decision rule

If F cal is less than F tab: Accept H0 and reject H1

Consider F-cal as 41.681 and F-tab 1.671

Therefore, we accept alternate hypothesis. Hence birthday message has significant effect on recovering lost customers.

4.7.1. Hypothesis Two

Interest rate has no positive impact on recovering lost customers in UBA, Ado-Ekiti.

4.8. Co-efficient of multiple determinants

Table 8 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		Sig F. Change
					R Square Change	F Change	
1	0.381	0.145	0.139	0.942	0.145	26.675	0.000

Source: Field survey, 2024

It was revealed that the correlation co-efficient between recovering lost customers and the explanatory variable on interest rate show a positive figure of 0.381, this indicates that there is a moderate relationship between interest rate and recovering lost customers which implies that the explanatory variable has a positive effect on recovering lost customers. The co-efficient of multiple determinant (R^2) with a co-efficient of 0.145 shows that the explanatory variable can explain 14.5% of the behaviour of recovering lost customers while the remaining 85.5% can be explained by the stochastic variable or other variables that were not put into consideration. The adjusted R^2 further confirms the result of the R^2 with a co-efficient of 0.139, which shows 13.9% explanation of the behaviour of the recovering lost customers by the explanatory variables after adjustment while the remaining 86.1% is explained by the error term. NOTE: the value of R^2 test for the goodness of fit i.e How fitted the data is which is 0.145 (14.5%)

Table 9 Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.595	0.261		6.122	0.000
	Interest	0.432	0.074	0.331	5.871	0.000
	Repayment	0.088	0.050	0.100	1.769	0.078

Source: Field survey, 2024

The table 4.3.2 gives a summary of the regression result of the ordinal least square using SPSS 20.0 software. From the table it can be deduced that the value of constant parameter is given as 1.595 and interest rate are 0.432, and 0.088 respectively.

Therefore, the regression line is stated below:

Y= bo +b1x1+ Ui

- Y= independent variable
- B0= Intercept/ Constant

B1,b2,b3,.........................bn= Estimated Parameter

X1,x2,x3, ...xn= Independent Variable

- Ui= Error Term

Y=1.595+0.432x1+0.088x2+ Ui

The regression result above shows that recovering lost customers is constant at 1.595; this implies that if the explanatory variable is held constant, recovering lost customers will increase by 1.595%. The co-efficient of interest rate are given as are 0.432, and 0.088 respectively, this shows that the interest rate is positively related to recovering lost customers and therefore implies that an increase in interest rate will result in to 43.2% and 8.8% all at 0.05 level of significance increases on recovering lost customers.

Table 10 ONE WAY ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	47.357	2	23.678	26.675	0.000
	Residual	279.612	315	0.888		
	Total	326.969	317			

Source: Field survey, 2024

4.9. DECISION RULE

If F cal is less than F tab: Accept H0 and reject H1

Consider F-cal as26.675 and F-tab 1.671

Therefore, we accept alternate hypothesis. Hence interest rate has significant effect on recovering lost customers.

4.10. Hypothesis Two

Innovative products have no positive impact on recovering lost customers in UBA, Ado-Ekiti.

4.10.1. Co-efficient of multiple determinants

Table 11 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		Sig F. Change
					R Square Change	F Change	
1	0.445	0.198	0.193	0.969	0.198	38.873	0.000

Source: Field Survey, 2024

It was revealed that the correlation co-efficient between recovering lost customers and the explanatory variable on innovative products show a positive figure of 0.445, this indicates that there is a moderate relationship between innovative products and recovering lost customers which implies that the explanatory variable has a positive effect on recovering lost customers. The co-efficient of multiple determinant (R^2) with a co-efficient of 0.198 shows that the explanatory variable can explain 19.8% of the behaviour of recovering lost customers while the remaining 80.2% can be explained by the stochastic variable or other variables that were not put into consideration. The adjusted R^2 further confirms the result of the R^2 with a co-efficient of 0.193, which shows 19.3% explanation of the behaviour of the recovering lost customers by the explanatory variables after adjustment while the remaining 80.7% is explained by the error term.

- NOTE: the value of R^2 test for the goodness of fit i.e How fitted the data is which is 0.198 (19.8%)

Table 11 Co-efficient

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.374	0.263		5.220	0.000
	Different Account	0.191	0.072	0.145	2.659	0.008
	Value Added programme	0.375	0.055	0.370	6.804	0.000

Source: Field survey, 2024

The table gives a summary of the regression result of the ordinal least square using SPSS 20.0 software. From the table it can be deduced that the value of constant parameter is given as 1.374 and innovative products are 0.191, and 0.375 respectively.

Therefore, the regression line is stated below:

$$Y= bo +b1x1+ Ui$$

- Y= independent variable
- B0= Intercept/ Constant

B1,b2,b3,.........................bn= Estimated Parameter

X1,x2,x3, ...xn= Independent Variable

- Ui= Error Term

$$Y=1.374+0.191x1+0.375x2+ Ui$$

The regression result above shows that recovering lost customers is constant at 1.374; this implies that if the explanatory variable is held constant, recovering lost customers will increase by 1.374%. The co-efficient of innovative products are given as are 0.191, and 0.375 respectively, this shows that the innovative products is positively related to recovering lost customers and therefore implies that an increase in innovative products will result in to 19.1% and 37.5% all at 0.05 level of significance increases on recovering lost customers.

Table 12 ONE WAY ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	73.071	2	36.536	38.873	0.000
	Residual	296.061	315	0.940		
	Total	369.132	317			

Source: Field survey, 2024

4.11. Decision rule

If F cal is less than F tab: Accept H0 and reject H1

Consider F-cal as 38.873 and F-tab 1671

Therefore, we accept alternate hypothesis. Hence innovative products have significant effect on recovering lost customers.

4.11.1. Summary of the Findings

This chapter have analyzed and interpreted the data collected from the respondents which also present the summary of findings of the study. It discussed each subsection according to the result based on the hypotheses. It is clearly visible from the research findings of the whole study that birthday message has positive effect on recovering lost customers, interest rate has positive effect on recovering lost customers and that innovative products has positive effect on recovering lost customers all at 0.05 level of significance which the findings is related to the work of Ibojo (2015); Roopa Singh, Imran Akhtar Khan (2012). This was however revealed from the opinion of UBA Staff in Ado-Ekiti

5. Conclusion

The literature suggests that customer retention strategies are vital for the success of banks, particularly in retaining profitability and recovering lost customers. For UBA in Ado-Ekiti, employing personalized services, win-back campaigns, digital banking solutions, and CRM systems can help foster loyalty and recover former customers. By addressing the key reasons for customer churn and adapting to modern banking needs, UBA can maintain a competitive advantage in the banking sector.

From the findings, it was shown that retention strategy attribute measured have Positive and significant effect on recovering lost customers in UBA, Ado-Ekiti at 0.05 level of significance. The retention strategy components including birthday message, interest rate, and innovative products have moderate and positive significance on recovering lost customers, all with positive values in UBA, Ado-Ekiti.

Recommendations

In line with this study, the researcher hereby recommended the following**:**

- Banking institutions should embrace and adopt the marketing concept that allows for being more effective than competitors in creating, delivering, and communicating superior customer value inform of birthday message to motivate their customer. Bank Management should also take cross functional decisions on marketing and non-marketing activities in order to satisfy their customers for more effective customer retention.
- Favourable fees and charges will reduce chances of credit facilities being defaulted and further, the customers will not move to other competitors. Organizations should constantly conduct research in order to understand the needs of their target market and how to effectively satisfy the needs.
- UBA should introduce more credit products in their institutions to improve customer retention. Management should create favourable relationship with their customers and monitor the strategies and moves of competitors to avoid switching or attraction of customers by competitors.

Compliance with ethical standards

Disclosure of conflict of interest

No conflict of interest to be disclosed.

Statement of informed consent

Informed consent was obtained from all individual participants included in the study.

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