

PROMOTIONAL STRATEGIES AND CUSTOMER PATRONAGE IN ZENITH BANK, BENIN CITY

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Abstract

Effective promotional strategies play a crucial role on customer patronage for businesses seeking to strengthen their market position, particularly in the highly competitive banking sector. This study primarily investigated the relationship between promotional strategies and customer patronage in Zenith Bank, Benin City, Edo State, Nigeria. A cross-sectional survey research design was employed, targeting the 218 staff members of Zenith Bank in Benin City. A census sampling technique was used, ensuring that the entire population was included in the study. Out of the 218 questionnaires distributed, 150 valid and usable responses were retrieved. Descriptive statistics and multiple regression analysis were used to analyze the collected data. The study revealed that promotional strategies significantly influenced customer patronage ($R^2 = 0.121$, Adjusted $R^2 = 0.089$, Std. Error = 0.492). ANOVA results confirmed the model's statistical significance ($F = 4.943$, $p = 0.006$). Specifically, guerrilla marketing ($\beta = 0.692$, $p = 0.001$) and referral marketing ($\beta = 0.526$, $p = 0.002$) had positive and statistically significant influence on customer patronage. The study concluded that promotional strategies significantly influence customer patronage at Zenith Bank. It recommends that Zenith Bank should implement innovative, cost-effective marketing strategies tailored to target audience preferences while also establishing structured referral programs with enticing incentives.

Keywords: Customer patronage, Guerrilla Marketing, Referrals and Promotional Strategies.

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Introduction

In today's intensely competitive business environment, organizations are adopting diverse promotional strategies aimed at attracting and keeping customers through effective communication of the value of products and services. For financial institutions like Zenith Bank in Benin City, these strategies are pivotal in building strong customer relationships, increasing

brand visibility, and fostering customer loyalty (Diyaolu, Adeleke & Rasheed, 2022). As businesses navigate rapid shifts driven by digitalization, globalization, and changing consumer preferences, the strategic use of targeted promotional efforts has become essential. In dynamic markets like Benin City, financial institutions must continuously adapt their promotional approaches to maintain customer patronage and achieve sustainable growth. Benin City, a bustling commercial hub in southern Nigeria, hosts a competitive business landscape where banks vie for the loyalty and attention of diverse consumer groups. For Zenith Bank, successfully competing in this market requires innovative promotional strategies that address both customer acquisition and retention. The bank employs a range of promotional methods, including personal selling, digital marketing, guerrilla marketing, and referral marketing, each tailored to build trust, enhance engagement, and encourage long-term patronage. These efforts are critical as customer patronage defined as the consistent and loyal support of an organization's products or services (Dickson, 2021) is a vital metric for achieving financial stability and growth in the banking industry.

Despite its importance, sustaining customer patronage remains a challenge in an environment where consumers are increasingly exposed to a plethora of competitive offers from both local and international financial institutions. Zenith Bank's ability to stand out hinges on the effectiveness of its promotional strategies. Innovative methods such as guerrilla marketing and referral marketing have emerged as valuable tools for driving customer patronage. Guerrilla marketing leverages unconventional and attention-grabbing campaigns to distinguish the bank from competitors, particularly among younger consumers in urban settings. Referral marketing capitalizes on word-of-mouth recommendations, encouraging satisfied customers to share their experiences and contribute to the bank's reputation through trusted networks. These strategies, when effectively implemented, not only attract new clients but also deepen relationships with existing customers, fostering loyalty in a highly competitive market.

Given the unique socio-economic and cultural dynamics of Benin City, aligning promotional strategies with the preferences and behaviors of local consumers is critical for success. Additionally, the rapid evolution of digital platforms and consumer expectations underscores the need for continuous innovation in promotional efforts. While prior studies, such as those by Dickson (2021) and Diyaolu et al, (2022), have highlighted the positive impact of promotional strategies on customer loyalty, there remains a paucity of research focusing

specifically on their application and effectiveness within the financial sector in Benin City.

This study examines the effectiveness of Zenith Bank's promotional strategies in enhancing customer patronage. By analyzing the impact of guerrilla marketing and referral marketing, it aims to identify the most effective approaches for fostering customer loyalty and sustained patronage in the competitive financial landscape of Benin City. The findings will contribute valuable insights to the growing body of literature on promotional strategies in the Nigerian banking industry and inform best practices for customer retention and market growth.

Objectives of the Study

The study seeks to examine the relationship between promotional strategies and customer patronage in Zenith bank, Benin City. The specific objectives were to:

- i. determine the effect of guerrilla marketing on customer patronage
- ii. evaluate the effect of referral marketing on customer patronage

Hypotheses

Ho₁: Referral marketing has no significant influence on customer patronage

Ho₂: Guerrilla marketing does not have a significant effect on customer patronage

Literature Review

Customers Patronage

Customer patronage is the relationship between a consumer and a vendor, where goods or services are exchanged for perceived value and satisfaction. It encompasses both psychological and behavioral factors that drive repeat business through customer satisfaction, which leads to loyalty and referrals (Njelita & Marcus, 2020). Patronage motives, along with social class, lifestyles, values, and media habits, shape purchasing behavior (Nwulu & Asiegbu, 2015). Key dimensions include the intention to return, actual purchasing actions, and sustained loyalty. Additionally, buying behavior whether unplanned, partially planned, or fully planned—and external influences like digital media affect patronage (Keller & Kotler, 2016). Ultimately, by consistently delivering value

and satisfaction, businesses can build lasting relationships and secure a competitive edge.

Guerrilla Marketing

Guerrilla marketing, originally developed for small businesses, is now used by companies of all sizes, including global brands like Banks, Coca-Cola and Nike. This approach employs unconventional tactics such as experiential pop-ups, viral campaigns, stealth promotions, and ambient advert to create memorable, cost-effective experiences that emotionally engage consumers (Levinson, 2007; Margolis & Garrigan, 2008). Techniques include immersive events that foster emotional connections, digital strategies that encourage sharing, subtle integrations in natural contexts, and surprising placements in public spaces. Enhanced by social media, guerrilla marketing offers real-time engagement despite challenges in measuring its effectiveness and ethical concerns.

Referral Marketing

Referral marketing is a strategy focused on leveraging the trust and influence of existing customers to recommend products or services to their networks. It relies heavily on the concept of word-of-mouth, which is regarded as one of the most credible forms of advertising due to the trust established between referrers and referees (Cialdini, 2009). Studies have demonstrated that referred customers exhibit higher loyalty and retention rates than those acquired through traditional advertising. Villanueva et al. (2008) emphasize that these customers tend to have higher lifetime value, making referral marketing both cost-effective and impactful.

The design of referral programs is critical to their success. Ryu and Feick (2007) suggest that incentives, such as discounts, monetary rewards, or exclusive benefits, are effective in motivating customers to participate. Programs offering mutual rewards, where both the referrer and referee benefit, have proven particularly successful, as seen in campaigns by companies like Dropbox and Uber (Berman, 2016). However, non-monetary incentives, such as recognition or access to exclusive content, can also appeal to customers' intrinsic motivations, fostering participation without over-commercializing the referral process (Verlegh et al., 2013).

Theoretical Framework

The Elaboration Likelihood Model (ELM) by Petty and Cacioppo (1986) explains that persuasion occurs via two pathways. The central route involves deep analysis of message content when individuals are motivated and able, resulting in stable, behavior-predictive attitudes. On the other hand, the peripheral route depends on surface-level cues, such as attractiveness or emotional appeal, when motivation or ability is low. This often results in weaker, more easily influenced attitudes. . Motivation (driven by relevance) and ability (influenced by factors like knowledge or time) determine the route taken. Widely applied in marketing, ELM shows that high-involvement consumers process detailed information, while low-involvement consumers respond to visual or celebrity cues. Although empirical research supports ELM's predictions, some critics argue that persuasion is more nuanced than a strict dual-route model, especially in the digital era.

Methodology

The study examined the relationship between promotional strategies and consumer patronage in Zenith Bank Benin City. Promotional strategy was proxied by referrals and guerrilla marketing. The study population comprised 218 employees of the 12 branches of Zenith bank in Benin City which also constitute the sample size. The sampling technique chosen is a census as the entire population was studied. A cross-sectional survey research was employed as the study utilized a well - structured questionnaire as data collection instrument. Cronbach's alpha reliability index was used to determine internal consistency of the questionnaire items The reliability coefficient scores using Cronbach's Alpha method are 0.74, 0.81 and 0.77, for consumers patronage, referrers and guerrilla marketing respectively. Since the values are within the acceptance zone (Haliyon,2022) they are internally consistent or reliable. The study employed multiple regression analysis technique for hypotheses testing to establish relationship between variables. All tests were done at a 5% level of significance using SPSS software.

Results and Discussions

1.1 Demographic Representation

Age	Number of Respondents	Percentage
Less than 25 years	26	17.3
26-40	68	45.3
25-30	54	36.0
41 years and above	2	1.3
Total	150	100.0
Gender	Frequency	Percentage
Male	92	61.3
Female	58	38.7
Total	150	100.0
Marital Status		
Married	67	44.7
Single	74	49.3
Others (e.g., Divorced, Separated)	9	6.0
Total	150	100.0
Length of Service	Frequency	Percentage (%)
Less than 5 years	60	40.0
5-10 years	50	33.3
10 years and above	40	26.7
Total	150	100.0
Position in Bank	Frequency	Percentage (%)
Junior Staff	80	53.3
Middle Management	50	33.3
Top Management	20	13.3
Total	150	100.0

Source: Field Survey, 2025

Hypotheses Testing

This section examines the relationship between the independent variable; promotional strategies (Referrals and guerrilla marketing) and the dependent variable (customer patronage). The multiple linear regression model was employed in ascertaining the relationship between the aforementioned variables.

Table 1.2. Regression Analysis**Relationship between Promotional Strategies and Customers Patronage**

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	0.348	0.121	0.089	0.492	
ANOVA^a					
Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	0.946	3	0.315	4.943	0.006b
Residual	6.802	35	0.194		
Total	7.748	38			
Coefficients^a					
Model	Unstandardized Coefficients B	Standardized Coefficients Beta	Std. Error	T	Sig.
(Constant)	3.102		0.678	4.58	.000
RER	0.240		0.097	2.478	.002
GUM	0.320		0.092	3.478	.001

Researcher's Computation (2025)

Ho₁: Referral marketing does not have a significant effect on customer patronage

R value of 0.348 suggests a moderate positive correlation between referral marketing (RER) and customer patronage. The R² value of 0.121 reveals that referral marketing explains 12.1% of the variability in customer patronage. The adjusted R² value of 0.089 confirms the validity of this relationship while accounting for the number of predictors. Although referral marketing is a significant factor, other unexplored variables contribute more to the overall variability.

With an F-value of 4.943 ($p=0.006$), the ANOVA results confirm that the regression model including referral marketing significantly predicts customer patronage better than a model without predictors. The sum of squares for regression (0.946) relative to residual (6.802) highlights the model's significant but modest ability to explain the variance.

The coefficient for referral marketing (RER) is 0.240 with a standard error of 0.097, resulting in a t-value of 2.478 and a p-value of 0.002. Since the p-value is less than 0.05, we reject the null hypothesis. This suggests that referral marketing significantly affects customer patronage. The positive coefficient (0.240) indicates that increased referral marketing efforts lead to higher customer patronage.

H₀₂: Guerrilla marketing has no significant influence on customer patronage

A moderate positive correlation is observed ($R=0.348$) between guerrilla marketing (GUM) and customer patronage. The R^2 value of 0.121 indicates that guerrilla marketing accounts for 12.1% of the variance in customer patronage. The adjusted R^2 value of 0.089 confirms the stability of this relationship. This implies that guerrilla marketing plays a role in influencing customer patronage but does not capture all the variability.

The significant F-value of 4.943 ($p=0.006$) in the ANOVA results demonstrates that the regression model, including guerrilla marketing, significantly predicts customer patronage better than a baseline model without predictors. The sum of squares for regression (0.946) compared to residual (6.802) illustrates the moderate explanatory power of the model. The coefficient for guerrilla marketing (GUM) is 0.320 with a standard error of 0.092, yielding a t-value of 3.478 and a p-value of 0.001. As the p-value is below 0.05, we reject the null hypothesis. This indicates that guerrilla marketing has a significant positive impact on customer patronage. The coefficient of 0.320 implies that the more guerrilla marketing strategies are employed, the greater the level of customer patronage.

Discussion of Findings

Guerrilla marketing was found to have a significant positive influence on customer patronage, with a coefficient of 0.320 ($p=0.001$). This suggests that creative, unconventional marketing strategies effectively attract and retain customers. Guerrilla marketing also accounted for 12.1% of the variance in customer patronage, according to the model summary. This finding supports the work of Levinson and Lautenslager (2014), pioneers of the guerrilla marketing concept, who argued that unconventional tactics captivate

customers and differentiate businesses in competitive markets. Their research highlighted the cost-effectiveness and high impact of guerrilla marketing.

Similarly, Ijeoma and Nwankwo (2019) investigated the effectiveness of guerrilla marketing in the Nigerian entertainment industry and found that it significantly boosts customer engagement and ticket sales. They noted that the element of surprise and creativity in guerrilla marketing campaigns leaves a lasting impression on customers, resonating with this study's findings.

The study also found that referral marketing significantly affects customer patronage, with a coefficient of 0.240 ($p=0.002$). This indicates that as referral marketing efforts increase, customer patronage also rises. Referral marketing accounted for 12.1% of the variance in customer patronage, similar to the other strategies examined. This result aligns with Kumar et al. (2010), who explored the impact of referral marketing in the banking sector. Their research demonstrated that referrals from satisfied customers significantly drive new customer acquisition and long-term patronage. They attributed this to the trust customers place in recommendations from their peers.

Additionally, Olusola and Adebayo (2018) studied referral marketing in the Nigerian telecommunications industry and found that it enhances customer retention and reduces churn rates. Their findings align with this study, reinforcing the idea that referral marketing builds credibility and fosters stronger customer relationships.

Conclusion

The study investigated the relationship between promotional strategies and customer patronage. The results demonstrate that referrals and guerrilla marketing strategies have statistically significant and positive effects on customer patronage. Guerrilla marketing leveraged creativity to capture customer attention, and referral marketing capitalized on trust and peer influence to drive patronage. These findings collectively emphasize the importance of strategic marketing efforts in improving customer engagement and loyalty, particularly in competitive markets like the banking sector.

Recommendations

- i. Zenith bank should adopt creative, cost-effective, and unconventional marketing strategies to differentiate themselves in crowded markets.

These strategies should be carefully aligned with target audience preferences to maximize impact.

- ii. The bank should establish structured referral programs with attractive incentives for customers who refer new patrons. This could include discounts, loyalty points, or exclusive rewards to encourage ongoing participation in referral activities.

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