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Market Segmentation Strategy Based on Benefit Sought and Bank Customers' Retention in Selected Banks in Nigeria

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Abstract

Market segmentation as an emerging tool in the service industry is being adopted as one of the strategies to satisfy customers' numerous needs and improve organizational performance giving rise to customers' retention. In a developing economy as Nigeria, where competition is stiff in the banking sector, with varieties of services positioned for customers of different values, needs, and beliefs, it has become difficult to achieve optimal performance in the large market. This study thus evaluated the effect of benefit sought segmentation strategy on customers' retention in selected banks in Lagos State, Nigeria. The study adopted a survey research design. The population of the study consisted of four selected banks (First bank, Fidelity bank, Eco bank and Wema bank) with customer population of 73,800. A sample size of 1,960 was derived using Cochran formula and proportionate stratified random sampling technique. The instrument used for data collection was a structured questionnaire. A total of 1,960 copies of the questionnaire were administered, with a response rate of 78.2%.Data generated were analysed using Regression and Pearson's Product Moment Correlation (PPMC). Findings revealed that benefit sought segmentation strategy had significant effect on customers' retention (R^2=.330, p<.05). The study recommended that banks should improve on market segmentation efforts upholding benefit sought segmentation in alignment with industry best practice. To capture the right customers with homogeneous needs and for enhanced performance, they should adopt effective market segmentation strategy through rightful positioning of relevant products in different segments. This will no doubt enhance customer's retention in the banking sector.

Keywords: *Market segmentation strategy, Benefit sought segmentation, Customers' retention, Organizational performance, Customer's satisfaction.*

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Background to the Study

Globally, the survival and success of business can only be assured through an effective market segmentation practices which encompass a clearly defined 'customer valuation' process especially in a country where there is highly competitive and dynamic environment such as that in which Nigerian banks operate (Onaolapo, Salami & Oyedokun, 2011).The market segmentation of a bank indicates regrouping of bank's various services and activities into separate departments for each category of customers, subject to the kind of business undertaking in each market (Vijay & Chetipelly, 2013).

Corporate customers are also increasingly looking for a clear demonstration of value in product features and expect a commensurate reflection of pricing to value (Klyveld, Peat, Marwick & Goerdeler, 2014). Market segmentation is thus presently becoming important since the various products or services in the market cannot satisfy the needs of different individuals in the same market hence businesses can no longer be as usual to all the customers.

Companies that do not segregate their market as a means of targeting the specific segment its product really suits, will therefore find it difficult to survive (Baharun, Hamid, Shamsudin, Salleh, Zaidin & Sulaim, 2011; Sulekha & Mor, 2014). Market segmentation has to be adjusted to ensure the achievement of an efficient customer satisfaction (Premkanth, 2012). This will no doubt enhance the market performances of such organizations and enhances customer's retention as customers remain with any organization that offers benefit sought.

As reported in Ojo (2012), banks perception of marketing has shifted from mere advertising as a result of stiff competition brought about by reforms to aggressive strategic segmentation, positioning and targeting of customers, but banks' failure to focus on marketing strategies that could attract the unbanked has led to inadequate exploitation of its benefits as well as not giving appropriate value to the banking public.

Statement of the Problem

One of the major reasons of the 2005 bank recapitalization and consolidation was low profitability and attended poor performance by some banks which resulted to customer dis-satisfaction and switching (KPMG, 2014). Emphasis is on bank profitability and the need to retain customers; but retaining the profitable customers have become increasingly difficult with greater part of the customers still not very satisfied with their bank's ability and willingness to tailor products/services to their needs (Ateboh-Briggs, 2014). As stated by KPMG (2014), despite majority of customers expressing interest in accessing loans, only about two in ten customers are very pleased with the ease of access to credit facilities. Most banks do not consider the customers' segment and the related needs, in granting loans to customers rather “whom do you know” syndrome is factored in resulting to customer' dissatisfaction and poor loan repayment by the favored few (KPMG, 2014). As opined by Eze, Ezekiel and Ufot (2014), making available a special and well-trained customer service to people with disabilities remains a problem. Explaining further, Eze*et al* (2014) stated that emphasis on segmenting the bank market are most times based on the wellness of consumers with little attention to people with disabilities, denying them of benefit sought. When customers' benefit sought are not met, they will switch to competitors and consequently, the performance of such organization will be low leading to little or no profitability.

Objective of the Study

The main objective of this study is to determine the effect of market segmentation based on benefit sought on bank customers' retention.

Research Question

What effect will market segmentation based on benefits sought have on bank customers' retention?

Hypotheses

Benefit sought segmentation does not have significant effect on customers' retention.

Conceptual Review

Market Segmentation Strategy

Market segmentation is one of the fundamental principles of modern marketing, rooted in microeconomic theory, and pay particular attention to the needs of customers. In segmenting the market, the potential customers are divided into several sections with similar wants and needs (Boley & Nickerson, 2012; Canhoto, Clark & Fennemore, 2013).The practice of grouping customers or a process of dividing the total larger market (often heterogeneous) into meaningful submarkets (of homogeneous groups) based upon product needs or preferences – with members having similar needs, characteristics, or behaviors (Amue, Abieye & Igwe, 2012; Birjandi, Hamidizadeh & Birjandi, 2013; Golmah, 2014 & Goyat, 2014; Kabuoh, 2017).

The underlying purpose of segmentation is to divide customers into distinct groups, such that marketing messages can be tailored to their specific needs, thus creating a closer alignment between customer needs and marketplace offerings (Press & Simms, 2010; Singh, 2010). Market segmentation assumes that the market for any product or service can be divided into sub-markets or segments; such as a meaningful buyer groups, each with its own discrete needs, wants or preferences. On the other hand, segmentation is an aspect of marketing management concepts that deals on the STP (Segmentation, Targeting, and Positioning) strategies (Ateboh-Briggs, 2014).Ateboh-Briggs added that marketing segmentation is a concept that is of great importance not just to Deposit Money Banks in Nigeria but it is to be seen as a veritable tool to be used for effective business management strategy for customer satisfaction as well as increasing customer loyalty. Nzotta (2004) states that banks to a large extent are influenced by the target market the bank serves. The market for banking services is highly segmented, especially with the proliferation of banks in Nigeria.

Benefit Sought Segmentation

Segmentation by benefits sought involves the grouping of consumers on the basis of desired or sought benefits – often manifested in the value they are willing to pay in return for the sacrifices that they are willing to make (Harkimi, 2014;Jayampathi, 2010; Shin, Jeon, Choi, Han & Jung, 2013). They are benefits in form of quality, service, economy, speed, convenience, prestige - explaining the reasons why consumers choose to buy or prefer particular products or patronize a particular supplier or providers of service (Kotler & Keller, 2009). The underlying belief of this strategy is that the benefits which people are seeking in a given product or service are the basic reasons for the existence of true market segments (Messah, Rintari and Otike (2011). Segmenting market based on benefit sought or on usage rate will result to good marketing success (Amue, Abieye & Igwe, 2010). The marketing success in terms of customer retention hence the customers' needs and sought benefits are made available.

In the present era, one of the rules governing the current competitive market is to follow the customer-oriented principles and so many companies have quit the mass marketing approach in favor of this target marketing approach. One of the approaches used for market segmentation, is "benefit sought approach" (Birjandi, Hamidi & Birjandi, 2013). It is advisable for marketers on segmenting markets to focus on those attributes that attract consumers to the organization's door step.

Customers' Retention

Customer's retention is when customers stay with the firm without switching as a result of satisfaction. It is also possible for customers to switch from the current segment to another segment depending on the degree of market stability (Shin, Jeon, Choi, Han & Jung, 2013). Switching has a huge negative impact on organizations; hence, minimizing customer churn is becoming a priority, especially for financial service providers (Epetimehin, 2011; Kaur et al, 2014). Kotler and Armstrong (2012) preach that satisfaction is the post-purchase evaluation of products or services taking into consideration the expectations. When these expectations are met, customers stay firm with the organization, else they switch to other competitors.

Lu, Zhang and Wang (2009) recognise that customers may be more forgiving when they receive poor services if they have a good image towards their service providers. Even if the customers occasionally receive poor services from their current bank, their overall service quality evaluations may still remain positive due to the perceptions of a good corporate image among the customers.

Theoretically, positive relationships between service quality, customer satisfaction, and customer loyalty are well documented in the extant literature. Services Quality is considered as a major determinant in customer retention and building value relationship (Venetis & Ghauri, 2004). Service quality results in repeated sales and increased market share, which leads to customer loyalty (Buzzell & Gale, 1987).). The implication of the above discussion is that with high service quality, bank customers are attracted, and when they are happy and satisfied, there will be an increased propensity to stay longer with their organisations.

Theoretical Review

Elliot and Glynn Segmentation Theory

This theory was propounded by Elliot and Glynn in 1998 as they noted that the fundamentally important process of market segmentation is well understood and widely documented in relation to mass consumer markets. This theory is of the opinion that the interests of the buyers are primarily reflected in their degree of loyalty toward their vendors (long or short term), while, on the other hand, vendors are interested in the potential benefits from a buyer (Alessandro, 2013).

However, in industrial or business-to- business markets, the market segmentation has received less discussion and / or critical evaluation (Elliot & Glynn, 1998) which prompted the development of a methodology for segmenting industrial markets in a way which reflects: (i) the value of the customer to the seller, and (ii) the value of the seller to the customer. Implicit in the process of measuring value are the central concepts of relationships and customer loyalty. In Nigeria, as pointed by Atebor-Briggs (2014) the market for banking services is highly segmented unlike other industries where segmentation is close to nothing leading to confusion, facing difficulties in making decision, due to products/services over choice, refined and intricate products, innovative marketing communication, dumping of counterfeiting products and similarities in branding (Bhaharun et al., 2011).

Elloit and Glynn theory is in alignment with the study of Kabuoh and Asikhia, (2016) the aim of every organization is to satisfy customers and maximize shareholders' wealth at a profit. In another study in Nigeria, corporate bank customers attach substantial importance to prioritization of people and relationship above making of short term profit. Banks really value people and relationship ahead of short term profits, followed by facilitation of easy business transaction, creation of innovative solution to business problems. Customer loyalty has been found to have appreciable effect on customers' decision to switch or not to switch (Asikhia, 2007).

Empirical Review

Benefit Sought Segmentation (BSS) and Customer's Retention (CR)

In their various studies it was concluded that benefit segmentation is a useful concept in consumer grouping, these are benefits the customers are searching for which attract them to a particular segment of the market (Dapper, Ugwu& Augustus, 2015; Park, Lim, Bhardwaj & Kim, 2011). Various customers have various needs and these needs are determinant of the customers' retention to any organization that makes available these needs. In another study, Kareh, Tive, Babania and Hesan (2014) analysed the applications of customer lifetime value (CLV) based on benefit segmentation for the banking sector and noted that benefit segmentation was found to be useful concept in customers' grouping based on customer lifetime value (CLV.)

Eze, Ezikiel and Ufot (2014) conducted a study on shopping behavior of customers with disabilities and found that people with disabilities can be seen as rare focus and target of many organisations in Nigeria. This segment has the potentials of yielding significant benefits to any organization that serve it and this no doubt gives room for more customers' retention. In contrary opinion, Press and Simms (2010), although the costs of benefit segmentation may have changed in recent years, past research has suggested that this type of segmentation may be relatively expensive to perform. Weinstein (1994) also suggested that benefit segmentation requires the collection of vast amounts of data and complex statistical analysis; however, the statistical analysis of the data collected does not have to be as complex as some authors suggest. On the work of Birjandi, Hamidi and Birjandi (2013) on customer segmentation based on benefit sought approach case of Sehat shampoo in Iranian market, five segments was identified and significant differences were found between the behaviors of consumers in each segments based on benefits. Generally, their benefits prioritization indicated shampoo color as the least important while cleaning power gains the most.

Methodology

The study adopted survey research design. The population of the research consisted of headquarters of four selected banks(First bank, Fidelity bank, Eco bank and Wema bank)representing the three CBN bank categorizations (Regional, National & International banks) with customer population of 73,800 and sample size of 1,960 was derived using Cochran formula and proportionate stratified random sampling technique. Structured questionnaire with a six point modified Likert- Scale was administered with a 78.2% response rate. 1,533 copies of the questionnaire came correctly and were used for the study. Data generated were analysed using simple regression analysis with the aid of IBM SPSS Statistics version 22.

Stratified system was used to select the four banks from CBN bank classifications. Two banks were selected from International Banks group, one Bank from National Banks group and one Bank from Regional Banks group. The banks are; First bank and Fidelity bank (representing International banks), Eco bank (representing National banks), and Wema bank (representing regional banks which has just been upgraded to National bank). Each chosen bank represents each category while two banks represent the international banks as that category has the largest number of banks. The four banks in addition were selected because they are parts of the banks that retain their names after the 2005 bank recapitalization and consolidation and supported with their large branch network spread. The choice of Lagos was as a result of it being a metropolitan and cosmopolitan city in Nigeria that houses over 90% of bank headquarters (CBN, 2010).

Sample size and Sampling Technique

Stratified technique was used to select the four banks from CBN bank classifications. According to Castillo (2009) the size of the sample represents the total population of subjects under investigation. The sample size for this study was derived using Cochran's (1963) sample size formula for known and unknown population, given as:

$$n = \frac{Z^2 p(1-p)}{e^{¤}}$$

Where, n = sample size (for: Infinite Population)

Z = alpha value at 95% level of confidence (1.96)

p = degree of variability (50%)

e = margin of error or level of precision (2.5%)

Applying the above we have that:

$$n = \frac{Z^2 p(1-p)}{e^{¤}}$$

$$n = \frac{1.96^2 X 0.5(1-0.5)}{0.025^{¤}} = 1537$$

Cochran finite population formula;

$$n_o = \frac{n}{1 + \frac{(n-1)}{N}}$$

Where: n = sample size (for: infinite Population)
$n_{o=}$ sample size (for: finite Population)
N= finite population size (Total number of customers from the office headquarters of the 4 banks)

$$n_{o\,=} \frac{1537}{1 + \frac{(1537-1)}{73{,}800}} = 1505$$

To avoid compromising such error of non-response from some respondents or wrong filling of questionnaire, the application of additional 30% of the sample size be imbibed (Barley, 2008, Shokefun, 2013). The derived sample size of 1505 be increased by 451 (30% of 1505) giving a total sample size of 1, 956 to be approximated to a round working figure of 1,960 to give more space for non-return or incomplete questionnaire.

A proportionate number of respondents for each office headquarter of the four banks were calculated by adopting the following formula:

$$\frac{Q \times n_o}{N}$$

Where Q = the number of customers at each office headquarter of the four banks
n_o= sample size of finite population
N = finite population size

Therefore: First bank $= \frac{42{,}500 \times 1{,}960}{73{,}800} = 1129$

Fidelity Bank $= \frac{10{,}050 \times 1{,}960}{73{,}800} = 267$

Eco bank $= \frac{10{,}150 \times 1{,}960}{73{,}800} = 269$

Wema bank $= \frac{11{,}100 \times 1{,}960}{73{,}800} = 295$

Table 1: Descriptive Analysis of Market Segmentation Based on Benefit Sought

Market Segmentation Based on Benefits Sought	Very Low	Low	Fairly Low	Fairly High	High	Very High	Mean	SD
Benefit derived from service	0 0.0%	0 0.0%	0 0.0%	53 3.5%	1130 73.7%	350 22.8%	5.19	.475
Prestige centred service	0 0.0%	0 0.0%	0 0.0%	53 3.5%	868 56.6%	612 39.9%	5.36	.549
Service quality	0 0.0%	0 0.0%	53 3.5%	0 0.0%	581 37.9%	899 58.6%	5.52	.676
Speed of service delivered	0 0.0%	0 0.0%	75 4.9%	155 10.1%	893 58.3%	410 26.7%	5.07	.748
Cost of service delivered	0 0.0%	305 19.9%	993 64.8%	130 8.5%	83 5.4%	22 1.4%	3.04	.793
Convenience	0 0.0%	0 0.0%	0 0.0%	67 4.4%	1024 66.8%	442 28.8%	5.24	.522
Other benefits delivered	0 0.0%	0 0.0%	0 0.0%	165 10.8%	1194 77.9%	174 11.4%	5.01	.470
Average Score							4.91	.604

Source: Field Survey, 2016

Table 1.presents results of descriptive analysis of respondents' opinions on market segmentation based on benefit sought. 96.5% of the respondents indicated that the benefit derived from service is very high; 96.5% asserted that the prestige centered service benefit is very high; 96.5% revealed that Service quality is very high; 85% indicated that the Speed of service delivered is high; 84.7% claimed that cost of service delivered is very low; 95.6% maintained that convenience from market segmentation is very high; and 89.2% report that other benefits delivered from benefit sought is high. On the average, the table shows that service quality was rated highest with a mean score of 5.52 and a standard deviation of .676. This was followed by prestige centered service with a mean score of 5.36 and standard deviation of .549, convenience (mean = 5.24, standard deviation = .522), benefit derived from service (mean = 5.20, standard deviation = .476), speed of service delivered (mean = 5.07, standard deviation = .745), and other benefits delivered (mean = 5.19, standard deviation = .475). Cost of service delivered recorded the lowest mean score (mean score = 3.04, STD = .793). The overall mean score for the seven statements used to measure benefit sought was 4.91. The results show that service quality and prestige centered service were major market segmentation strategies based onbenefit sought used by the banks under study for achieving customers retention, on the average, respondents rated them strongly. Conversely, other benefits delivered were lowest on the scale of market segmentation based on benefit sought, although it was still well above the average (mid-point).

Table 2: Descriptive Analysis of Customers' Retention

Statements	Very Low	Low	Fairly Low	Fairly High	High	Very High	Mean	SD
Your intention to leave the bank.	735 47.9%	744 48.5%	54 3.5%	0 0.0%	0 0.0%	0 0.0%	1.56	.564
The quality of service received compared to with other banks	0 0.0%	0 0.0%	0 0.0%	0 0.0%	743 48.5%	790 51.5%	5.52	.500
The frequency of your patronage	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1155 75.3%	378 24.7%	5.25	.431
Cordiality of your relationship with other banks	492 32.1%	866 56.5%	175 11.4%	0 0.0%	0 0.0%	0 0.0%	1.79	.627
Average Score							**3.53**	**.529**

Source: Field Survey, 2016

Table 2 showcases the perception of customers of selected commercial banks in Lagos State concerning customer's retention. From the results, 96.5% of the respondents averred that their intention to leave the bank is very low; 100% indicated that the quality of service received in their bank compared to with other banks is very high; another 100% responded that the frequency of their patronage of their banks is very high; and 100% asserted that cordiality of their relationship with other banks is very low. The results indicate that the overall score for the five statements used to measure customer retention was 3.53. This is an indication that the customers are loyal to their banks and are willing to continue their relationship with their respective banks. This is manifested in the cordiality of their relationship with other banks which is very low and recorded the lowest mean score (mean = 1.79, SD = .627) followed by the intention to leave the bank that is very low among the respondents (mean = 1.56, SD = .564).

Combining the results in Tables 1 and 2, it can be deduced that market segmentation based on benefit sought had the same pattern of increase as customers' retention of the selected banks in Lagos State. The result reveals that the benefit derived from service quality and prestige centered service benefit are very high so reducing customers' intention to leave the banks and increasing the frequency of customers' patronage. These findings provide answers to research question one and enable the researcher to achieve objective one of this study as well.

Restatement of Hypothesis 1 (H_{01}): Benefit sought segmentation does not have significant effect on customers' retention.

Table 3: Simple regression analysis results for the effect of benefit sought segmentation on customers' retention

(a) The Goodness-of-fit (Model Summary)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.575	.330	.310	1.181

a. Predictors: (Constant), Benefit Sought Segmentation
b. Dependent Variable: Customers' Retention
Source: Field Survey, 2016

(b) The Overall Significance

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	19.744	1	19.744	14.147	.000[b]
Residual	1985.975	1423	1.396		
Total	2005.719	1424			

a. Dependent Variable: Customers' Retention
b. Predictors: (Constant), Benefit Sought Segmentation
Source: Field Survey, 2016

(c) Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	.	Std. Error	Beta		
(Constant)	12.402	.458		27.101	.000
Benefit Sought Segmentation	.050	.013	.330	3.761	.000

a. Dependent Variable: Customers Retention
Source: Field Survey, 2016

The result presented in Table 3 (a) shows that benefit sought segmentation had effect on customers' retention and this effect was statistically significant at p= positive.000 [R = .575, p <.05]. The model R^2 (coefficient of determination) was 0.330 indicates that benefit sought segmentation explained 33% of the variance observed in customers' retention. In Table 3.(b), the F statistic = 14.147 was significant at p<0.05 which showed that the model was significant in explaining the effect of benefit sought segmentation on customers' retention. This finding is supported by a positive and significant unstandardized β coefficient in Table 4.5(c) [β= 0.050, t = 3.761, p<0.05]. Therefore, the null hypothesis one (H_{01}) which states that benefit sought segmentation does not have significant effect on customers' retention is hereby rejected. The regression model used to explain the variation in customers' retention due to the influence of market segmentation based on benefit can be stated as follows:

$$CR = 12.402 + .050BSS + \varepsilon \quad \text{(eqi)}$$

Where:

CR = Customers' Retention

BSS = Benefit Sought Segmentation
ε = Error term

The regression equation above shows that the parameter estimates complied with a priori expectation which explains that market segmentation based on benefit sought will increase customers' retention and decrease customers switching to competitors. The constant is 12.402 implies that if benefit sought segmentation is zero; customers' retention would be 12.402. The coefficient of benefit sought segmentation was .050 indicates that a one-unit increase in benefit sought segmentation was associated with a 0.050 units increase in customers' retention. This implies that an increase in benefit sought segmentation will subsequently increase customers' retention of the selected banks in Lagos State. The results of hypothesis one demonstrates that benefit sought segmentation had a significant effect on customers' retention in the banking sector.

Discussion

The result of the hypothesis shows that benefit sought segmentation has a significant effect on customers' retention and this effect was statistically significant at p= positive. Segmentation by benefits sought involves the grouping of consumers on the basis of desired or sought benefits – often manifested in the value they are willing to pay in return for the sacrifices that they are willing to make (Harkimi, 2014; James, Chang, Oliveira-Castro & Pallister, 2010; Jayampathi, 2010; Shin, Jeon, Choi, Han & Jung, 2013). They are benefits in form of quality, service, economy, speed, convenience, prestige - explaining the reasons why consumers choose to buy or prefer particular products or patronize a particular supplier or providers of service (Kotler & Keller, 2009).

This hypothesis result is consistent with Messah, Rintari and Otike (2011) which states that the underlying belief of this strategy is that the benefits which people are seeking in a given product/service are the basic reasons for the existence of true market segments. In Nigerian banks of today, customers seek to be recognized, giving adequate attention, provision of credit facilities if need be, giving attention to both able and disable customers in support of Eze, Ezekiel and Ufot (2014) view, making available a special and well-trained customer service to people with disabilities remains a problem. Explaining further, they stated that emphasis on segmenting the bank market are most times based on the wellness of consumers with little attention to people with disabilities, denying them of benefit sought. If these benefits sought by customers are made available, there would be need for customers' retention in Nigerian banking sector. There is need for bank operators to monitor each market segment and ensure its alignment with customers' needs. This is related to the assertion of Amue, Abieye and Igwe (2012) segmenting a market based on benefit sought or on usage rate results to customers' patronage and good marketing success In the banking sector, customers are filled with diverse needs with associated benefits which determine their rate of turnover. When these benefits are found in a particular market segment, it might enhance customer's retention otherwise, it leads to customer's switching to competitors. When bank customers switch to competitors due to unsatisfied services, the effect is enormous as it leads to loss of customers, stress of replacing profitable customers and the negative effect of service quality blackmail.

Empirically, In their various studies it was concluded that benefit segmentation is a useful concept in consumer grouping and patronage, these are benefits the customers are searching for which attract them to a particular segment of the market (Dapper, Ugwu& Augustus, 2015; Mamoun, 2008; Park, Lim, Bhardwaj & Kim, 2011). Various bank customers have various needs and benefits sought and these needs are determinant of the customers' retention to any organization that makes available these needs. Eze et.al (2014) conducted a study on shopping behavior of customers with disabilities and found that people with disabilities can be seen as rare focus and target of many organisations in Nigeria. This segment has the potentials of yielding significant benefits to any organization that serve it. Several factors as product assortment, office and shop ambience and customer service have been investigated and found as influencing the behavior of people with disabilities. These factors if properly planned will enhance the desired benefit being sought by this group of individuals as well as enhancing customer retention and organizational performance and the inclusive business will be more successful. Though the cost of administering benefit segmentation may be high at the short run but at the long run, it might be beneficial. Management of banks will from the findings be strengthened with the application of benefit sought segmentation and associated impact on customers' retention.

Conclusion

The study concluded that customers' retention is dependent on benefit sought segmentation. By segmenting the market, firms can better understand their customers and target their marketing efforts efficiently and effectively. The purpose of segmenting a market is to allow marketing program to focus on the subset of prospects that are most likely to purchase your offerings, if done properly, this will help to ensure the highest return for your marketing expenditures. There was positive effect of benefit sought segmentation on customers' retention in the banking sector. The reason behind this is that customers have varied needs that take them to the banks, if these needs are found; the customers do not have any reason to switch to other banks. These needs are in form of prestige centered service, service quality, loan accessibility, convenience, cost of service delivered among others. The customers are very happy with benefit sought from the bank. Therefore, the hypothesis was negated.

Recommendations

1. The banking sector in Nigeria is hereby challenged to practice more aggressive and strategic market segmentation upholding benefit sought segmentation in order to enhance market performance and strengthen customer's retention for achieving sustainability.
2. Banks have varieties of products and customers' needs are insatiable with limited resources. To capture the right customers with homogeneous needs, proper segment of the market should be channeled to the target market through right positioning.
3. The quality of service received compared to with other banks must be that that will attract and retain customers.
4. There should be a close benchmark of competitor's offerings and services. This will serve as an opportunity to leverage on and become the market leader.

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