

Analysis on Profitable Customer Behaviours for Nigerian Retail Banks in 2015

What is 'Profitable Customer Behaviour'?

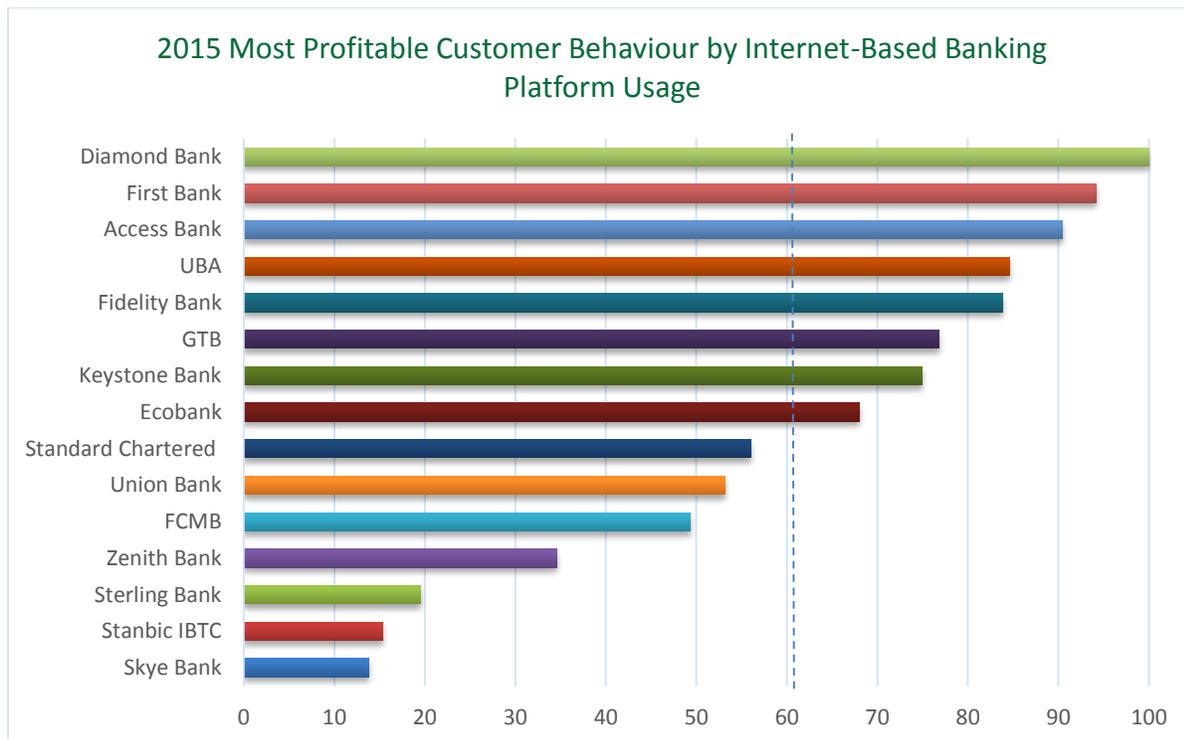
Profitable Customer Behaviour refers to trends and habits of customers that lead to increasing profits for an organisation. For retail banking, these are customers' characteristics that directly relate to banking products and services. Some profitable consumer behaviours for retail banks to monitor include:

- Positive customer perception of bank(s)
- Customer loyalty
- Customer adoption rate of bank products and services
- Frequency of use of bank products
- Customer channel preference for engaging banks and financial activities

Sample analysis to determine the bank with the most profitable customers based on use of internet-based banking platforms

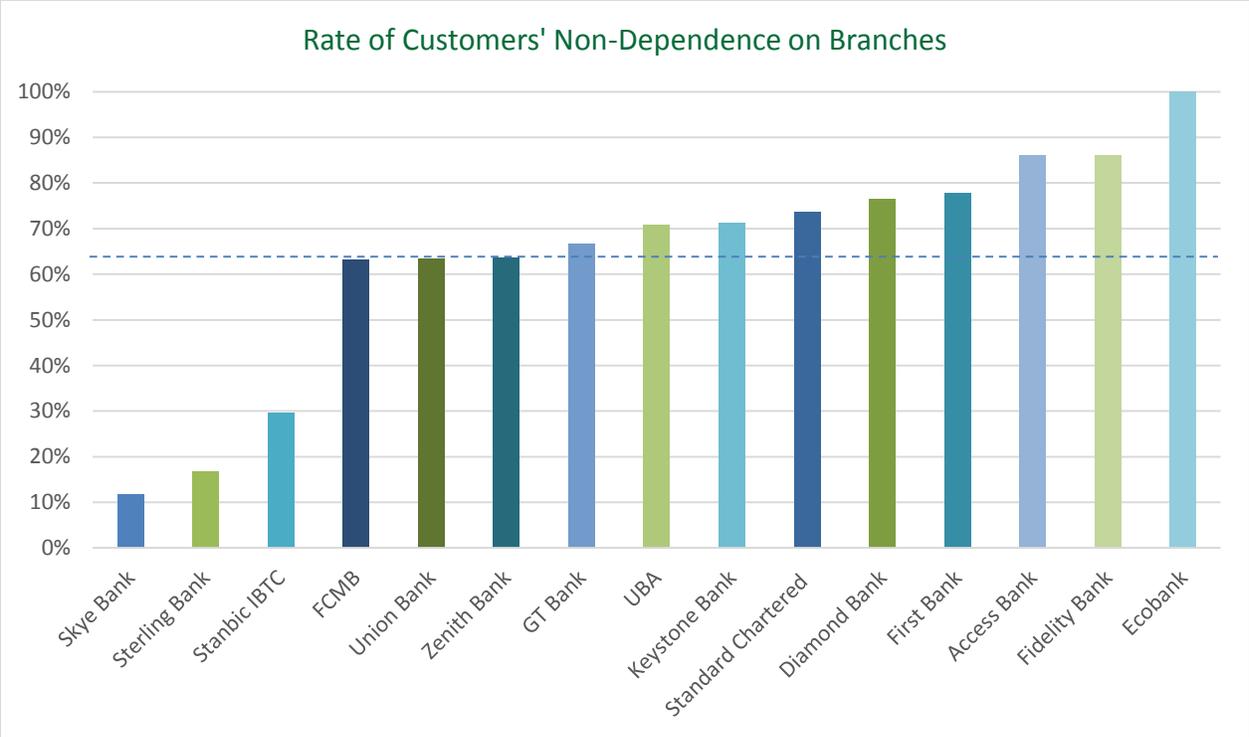
For retail banks to see how profitable their customers are, Ciuci Consulting analysed the rate of adoption and customer preference for using a general retail banking product-internet-based banking platform.

Internet-based banking platforms allow customers use a greater number of banking products wherever they are and via multiple devices, increasing their capability to perform financial activities with increased speed, quality, and convenience. Our sample focuses on online and mobile banking.

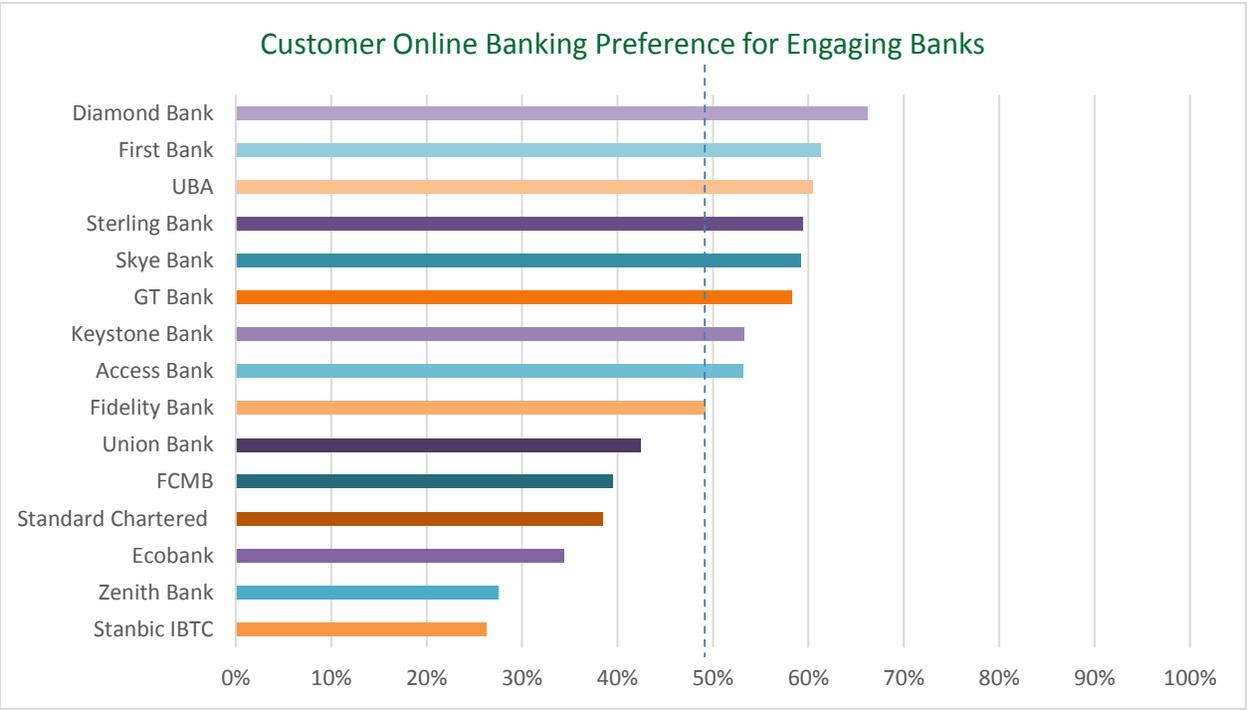


--- Industry Average

**Compiled from Ciuci 2015 Retail Banking Report



--- Industry Average



Based on the relative point system used for this analysis, the respondents of Sterling, Stanbic, and Skye showed the least profitable customer behaviour primarily due to the high dependence on branches. Positive customer behaviour means that the customer reduces his/her visits to the bank branch because of their access to internet-based platforms thereby reducing the bank's cost to serve the customer.

Ecobank, despite having the highest non-branch dependence rate by its internet-based customers, ranked 8th in the overall profitability consumer behaviour. The profitable behaviour was a measure of a combination of the two factors highlighted – branch non-dependence rate and internet-based banking preference. Ecobank performed below the industry average for the latter, affecting their overall profitable customer behaviour ranking.

Diamond Bank customers showed the most profitable behaviour in the overall assessment. Their customers have high rates of non-dependence on branches and high dependence on internet-based platforms for financial activities.

For customers to be profitable to a bank, a holistic review of customer behaviour is vital. This Ciuci analysis reveals just one banking product analysed from the 2015 Retail Banking Report. It captures a scan of what is possible. The 2016 Retail Banking Report would therefore offer great insight to profitable customer behaviour for your bank.