Customer Profiling and Utilization of Electronic Banking Services among Motor Parts Traders in Akwa Ibom State

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Abstract
*This study tries to segment and profile motor part traders in Abak road mechanical village in order to determine the extent of utilization of electronic banking among the traders in Akwa Ibom State. The survey research design was adopted for the study. The purposive sampling was used in sampling 280 respondents from a population of 1038 registered motor part dealers at the Abak road mechanic village, Uyo, Akwa Ibom State. An instrument titled "**Customer Profiling and Utilization of E-banking Services by Motor part Dealers Questionnaire"** (r=0.82) was used to gather data for the study.Simple regression analysis was used in analysing data. Findings showed that that age, lifestyle and trading experience of motor part traders influence their utilization of electronic banking services. It is recommended that The banks have to target those customers whose usage of internet enabled phones and USSD enabled devices as well as other technology products are on the higher side for promoting electronic banking services usage.*

Keywords: Market segmentation, Customer profiling, lifestyle, age, trading experience, E-banking services

Introduction

Electronic banking (e-banking) refers to a blanket term and a banking arrangement in which the bank customers can gain access to their bank accounts and perform various financial transactions over the internet, phone or other smart devices ((Drigă &Isac, 2014). Its services can involve the transfer of cash or other non-cash information. It is a product offered by banks which facilitates online banking, with the help of which customers can have access to the bank accounts in just one click of a phone, computer or other smart devices. E-banking covers facilities such as – fund transfer, checking account statements, utility bill payments, opening of bank account, online shopping payment, obtain information on financial products and services, applying for loans, among others, using a personal computer, smartphone, laptop or personal digital assistant. It allows individuals perform financial transactions without having to go to the bank. E-banking is seen as the avenue in which traditional financial services are provided in a modern way in contemporary society.

Retail banks in Nigeria are investing substantially in the provision of e-banking services as a respond to industry wide international trends as well as for their evolving customer needs. Considerable adoption of alternative banking channels have been observed over the years since then, however, the penetration of e-banking services is still low compared to other nations. An understanding of the factors that foster the adoption and use of e-banking services from the customers' viewpoint is necessary to promote rapid acceptance of these services.In order to ascertain the factors influencing adoption of new products and services, most retail banks apply customer profiling strategy(Aydin, 2014).

Customer profiling according to Sachs (2010) is the practice of organizing customers into specific groups possessing similar goals or characteristics. A customer profile can be based on a number of identifiers including demographics, location, hobbies, preferred social media channels, likes/dislikes, buying patterns, psychographics and credit background. Assigning every customer a profile allows organizations to target products, services and communications in a consistent manner that resonates to a group of customers. Customer profiling is based on factual information, such as their buying behaviours or customer service interactions. Marketers use customer profiling to identify the best customers, their common interests and demographic information. This concept will assist marketers to make informed targeting decisions based on customer profiling analysis by providing an overview of key characteristics and tools.

The end result of customer profiling makes e-loyalty to an e-commerce company possible (Mildred, 2003). Mialki (2020) identified three ways to profile consumer styles: (1) the psychographic/lifestyle approach, that is, the behavuoural approach; (2) the consumer typology approach; (3) the consumer characteristics approach. It is assumed that each of these profiles may have an effect on the utilization rate of e-banking services by traders in the spare parts market in Uyo, Akwa Ibom State.

A variety of e-banking services are offered by banks to attract the interests of their customers. Almost all banking activities can be carried out on e-banking platforms. In addition, there are many choices or types of banking products, making it easier for the public to determine what products are suitable for their banking transaction needs. However, the customer preferences still determine if they will utilize e-banking services and if they do, which of the services. Furthermore, the essence of market segmentation, that is, profiling spare parts dealers in the Abak road mechanical village in Uyo, Akwa Ibom State is to help marketers understand the preference of these traders and help restructure marketing campaigns and products to meet their needs. Customer profiling is a key tool for understanding the target market accurately and increasing the performance and efficiency of advertisements and promotional activities.

Statement of the Problem

In spite of the alternative banking channels available for almost all transactions that could be done

in the main banking halls, traders still opt for actual banking instead of virtual banking. Most ebanking services are shunned by traders not because they are not effective, but as a result of either not fitting into their business models, lifestyles or behaviours. In some cases, it could plainly mean they do not understand the benefits of using the platform. Take for instance insurance, most business owners and traders are increasingly opting for insurance of goods in transit, what was almost unheard of two decades ago. However, the need to understand the limited use of e-banking services among traders is the driving force behind this research.

Purpose of the Study

The main purpose of this study is to determine how customer profiling influence utilization of e-banking services by motor part traders in Abak Road mechanic village in in Akwa Ibom State. Specifically, the study sought to determine

1. The extent to which age of motor part traders in Akwa Ibom State influence the utilization of electronic banking services among traders in Abak Road mechanic village in Akwa Ibom State.
2. The extent to which years of trading experience influence the utilization of electronic banking services among motor part traders in Abak Road mechanic village in Akwa Ibom State.
3. The extent to which lifestyle of traders influence the utilization of electronic banking services among motor part traders in Abak Road mechanic village in Akwa Ibom State.

Hypotheses

The following null hypotheses were tested at 0.05 level of significance.

1. Age of motor part traders in Akwa Ibom State does not significantly influence the utilization of electronic banking services among traders in Abak Road mechanic village in Akwa Ibom State.
2. Years of trading experience does not significantly influence the utilization of electronic banking services among motor part traders in Abak Road mechanic village in Akwa Ibom State.
3. Lifestyle of traders does not significantly influence the utilization of electronic banking services among motor part traders in Abak Road mechanic village in Akwa Ibom State.

Concept of e-Banking

Once a fiction, electronic banking has entered the financial market. Electronic banking (e-banking) refers to a blanket term and a banking arrangement in which the bank customers can gain access to their bank accounts and perform various financial transactions over the internet, phone or other smart devices ((**Drigă & Isac, 2014).** Its services can involve the transfer of cash or other non-cash information. It is a product offered by banks which facilitates online banking, with the help of which customers can have access to the bank accounts in just one click of a phone, computer or other smart devices. E-banking covers facilities such as – fund transfer, checking account statements, utility bill payments, opening of bank account, online shopping payment, obtain information on financial products and services, applying for loans, among others, using a personal computer, smartphone, laptop or personal digital assistant. It allows individuals perform financial transactions without having to go to the bank. E-banking is seen as the avenue in which traditional financial services are provided in a modern way in contemporary society. E-banking, a term used for new generation banking system, represents an automated delivery of new and traditional banking products and services directly to customers through electronic and interactive communication channels. The increasing range and complexity of electronic banking services has led to the expansion of customers while satisfying more sophisticated needs and ensuring customer loyalty imposed a continuous demand for new technologies (Drigă, 2012).The use of the e-banking as a new alternative and blended channel for the distribution of financial services has become a competitive necessity for commercial banks in Nigeria.

Technological advances provides convenience, diversification, increased competition and the acquisition of customer satisfaction efforts to speed up internet banking services. Nowadays, bank users can do almost all branch transactions via internet banking. Çakmak, Güneşer and Terzi (2011) listed the internet banking transactions in detail as:

a. Account balance and statement processing,
b. Money
c. transfers and payments,
d. Transfers between the client's own accounts,
e. Transfer to other bank accounts,
f. Transfer of foreign currency abroad,
g. Transfer to the investment deposit account,
h. Transfer to the investment account deposits,
I. Bond payments,
j. Social security premium payments and tax payments,
k. Motor vehicle tax and traffic ticket payments,
l. Credit card debt payments,
m. Credit card cash advance withdrawal,
n. Credit card statements sent via e-mail,
o. Virtual card transactions,
p. Foreign exchange transactions,
q. Investment transactions,
r. Government bond transactions,
s. Treasury bills transactions,
t. Mutual fund purchase and sale transactions,
u. Foreign
v. investment fund operations,
w. Fund buying and selling orders tracking,
x. Equity transactions,
y. Stock purchase and sale,
z. Purchase and sale orders tracking,
aa. Account opening procedures,
bb. Export processing
cc. instruction,
dd. Invoice payment order.

The dependent variable for the study is utilization of electronic banking services. Level of usage of electronic banking refers to the proportion, out of banking customers, who actively and intentionally use internet banking services provided by a bank.

Customer Profiling

Customer profiling *describes* customers based on their attributes such as age, gender, income, and lifestyles, in order to identify the characteristics of a group of people and describe what they are like(Sachs, 2020). These attributes can be used to build customer profiles that will act as descriptors of customers and will be suggestively used for customer assessment, marketing of suitable products, enhanced experience ,direct marketing, customizing of products/services, cross-selling, deep-selling ,up-selling to increase profitability, churn prevention, risk categorization, default prediction and considering customer's eligibility for different banking products/services. Employing both the segmentation and customer profiling processes, marketers can decide which marketing strategies to adopt for each segment; this is a way of interacting with existing customers. This process also ensures better relationships with customers; the better the relationship, the easier it is to conduct business and generate revenue.

The end result of customer profiling makes e-loyalty to an e-commerce company possible (Mildred (2003). Customers can be profiled in very strategic ways. Mildred (2003) identified the categories of customer profiling to include demographic and behavioural profiling.

Customer profiling is a process that extracts each segment and evaluates the customers in that segment. With the help of customer profiling, customer behaviour can be analyzed to derive patterns from huge customer records, this information can be used as predictive tool for futuristic behaviour of customers. Walters and Bekker (2017) identifies two kinds of profiling: *demographic* profiling and *behavioural* profiling.

Behavioural Customer Profiles

Customer behaviour is the process whereby individuals decide whether, what, when, where, how, and from whom to purchase goods and services (**Walters and Bekker, 2017).** However, Mowen and Minor (1997) define customer behaviour differently. Behavioural profiling is based on customers' attitude towards, use of, or response to a product. Walters and Bekker (2017) believe that the behavioural variables that are the best starting points for constructing behavioural-based profiling include: Occasions, Benefits, User status, Usage rate, Buyer-readiness stage, Loyalty status and Attitude.

Okeke, Nwatu and Ezeh (2017) studied predicting consumer adoption of point of sale (pos) e-payment system in Nigeria using extended technology acceptance model. This study has established that PEOU and PU positively and significantly impact POS adoption in Nigeria. It also demonstrated that security impacts PEOU positively and significantly but insignificantly on PU. Consumer awareness (CA) significantly and positively impact PU but impact on PEOU is not significant. Furthermore, Joshua and Moli (2011) carried out a study on Usage Patterns of Electronic Banking Services by Urban Educated Customers in India. The findings show that though ATMs have been widely adopted, the level of adoption of other electronic banking means like internet banking, tele banking and mobile banking despite their potential are based on customer awareness, behaviour, education and experience.

Omotayo and Adebayo (2015) carried out a research on factors influencing intention to adopt internet banking by postgraduate students of the University of Ibadan, Nigeria. The results of the study reveal significant relationship between demographic characteristics of the students and intention to adopt internet banking, while the individual factors (attitude, trust, perceived usefulness, perceived ease of use and perceived behavioural control), and social factor (subjective norms) significantly influenced intention of the students to adoption internet banking.

Methodology

The survey research design was adopted for the study. The study area is mechanical village, Uyo metropolis of Akwa lbom State. The population for this study is 1038 registeted motor part dealers at the Abak road mechanic village, Uyo, Akwa Ibom State. A sample size of 280 respondents was used for the study. This was arrived at using the Krejie and Morgan Table. The purposive sampling will then be used to sample the respondents. This is to ensure that those selling different auto parts and in the business for at least five years were considered.

A researcher-developed questionnaire titled "**Customer Profiling and Utilization of E-banking Services by Motor part Dealers Questionnaire"** (r=0.82) was used to gather data for the study. The questionnaire items are based on the variables under review. The researcher than proceeded to administer the questionnaire to the respondents using interview like method and helping the traders fill out the questionnaire where they were not literate enough. Simple regression analysis was used in data analysis at .05 level of significance.

Results

Ho_1: Age of motor part traders in Akwa Ibom State does not significantly influence the utilization of electronic banking services among traders in Abak Road mechanical village in Akwa Ibom State.

Table 1: Simple Linear regression test for influence of age on the utilization of electronic banking services among motor part traders

Model		Unstandardized Coefficients		Standardized Coefficients		
		.	Std. Error	Beta	t	Sig.
1	(Constant)	10.030	.863		11.627	.000
	Utilization of electronic banking	-.260	.055	.250	2.427	.016

r=0.250, R^2=0.063

Table 1 shows the summary of regression test for influence of age on the utilization of electronic banking services among motor part traders. The result shows that the beta (β) value is -0.260 indicating that for every unit rise in age, e-banking utilization drops by 0.260. Thus, older traders seem to utilize e-banking platforms less. The result shows that the correlation coefficient is 0.250, indicating a low positive relationship between age and utilization of electronic banking services among motor part traders. The coefficient of determination is .063, indicating that 6.3% changes in utilization of electronic banking services among motor part traders is as a result of **age**. The result also shows that the t-value is 2.427 with the significance at .016. The result is thus, statistically significant. Thus, Age of motor part traders in Akwa Ibom State significantly influence the utilization of electronic banking services among traders in Abak Road mechanical village in Akwa Ibom State.

Ho_2: Years of trading experience does not significantly influence the utilization of electronic banking services among motor part traders in Abak Road mechanical village in Akwa Ibom State.

Table 2: Simple Linear regression test for influence of Years of trading experience on the utilization of electronic banking services among motor part traders

Model		Unstandardized Coefficients		Standardized Coefficients		
		β	Std. Error	Beta	t	Sig.
1	(Constant)	10.846	.853		12.711	.000
	Utilization of electronic banking	.217	.057	.204	3.796	.000

r=0.204, R^2=0.042

Table 2 shows the summary of regression test for influence of age on the utilization of electronic banking services among motor part traders. The result shows that the beta (β) value is 0.217 indicating that for every unit rise in years of trading, e-banking utilization increases by 0.217. The result shows that the correlation coefficient is 0.204, indicating a low positive relationship between years of experience and utilization of electronic banking services among motor part traders. The coefficient of determination is .042, indicating that 4.2% changes in utilization of electronic banking services among motor part traders is as a result of years of ex[erince. The result also shows that the t-value is 3.796 with the significance at .000. The result is thus, statistically significant. Thus, trading experience of motor part traders in Akwa Ibom State significantly influence the utilization of electronic banking services among traders in Abak Road mechanical village in Akwa Ibom State.

Ho_3: Lifestyle of traders does not significantly influence the utilization of electronic banking services among motor part traders in Abak Road mechanical village in Akwa Ibom State.

Table 3: Simple Linear regression test for influence of lifestyle on the utilization of electronic banking services among motor part traders

Model		Unstandardized Coefficients		Standardized Coefficients		
		β	Std. Error	Beta	t	Sig.
1	(Constant)	11.948	.871		13.714	.000
	Utilization of electronic banking	.130	.054	.132	4.427	.000

r=0.792, R^2=0.627

Table 3 shows the summary of regression test for influence of lifestyle on the utilization of electronic banking services among motor part traders. The result shows that the beta (β) value is 0.13 indicating that for every unit rise in lifestyle, e-banking utilization increases by 0.13. The result shows that the correlation coefficient is 0.792, indicating a very high positive relationship between lifestyle and utilization of electronic banking

services among motor part traders. The coefficient of determination is .627, indicating that 62.7% changes in utilization of electronic banking services among motor part traders is as a result of lifestyles. The result also shows that the t-value is 4.427 with the significance at .000. The result is thus, statistically significant. Thus, lifestyle of motor part traders in Akwa Ibom State significantly influences the utilization of electronic banking services among traders in Abak Road mechanical village in Akwa Ibom State.

Discussion of Findings

The result of analysis shows that lifestyle of motor part traders significantly influences the utilization of electronic banking services among traders in Abak Road mechanic village in Akwa Ibom State. Lifestyle aspirations influence individual choices regarding consumption and buying. This finding is supported by Mialki(2020) which found that segmenting customer lifestyle by measuring interests, activities and opinions helps the company to target products at a customer based on behavioural patterns and ways that supports the clients' interest and lifestyles. Furthermore, the result also shows that trading experience of motor part traders in Akwa Ibom State significantly influence the utilization of electronic banking services. This finding is corroborated by Okeke, Nwatu and Ezeh (2017) who found that the level of adoption of other electronic banking means like internet banking, tele banking and mobile banking despite their potential are based on customer awareness, behaviour, education and experience.

The result also shows that Age of motor part traders in Akwa Ibom State significantly influence the utilization of electronic banking services among traders in Abak Road mechanical village in Akwa Ibom State. As age increases, the utilization of e-banking also decreases. Older adults use less of e-banking platforms. This finding is in supported by Omotayo and Adebayo (2015) which studied factors Influencing Intention to Adopt Internet Banking. The result showed that age was a contributing factor to the adoption and utilization of e-banking services.

Conclusion

Based on the findings of the study, it is concluded that customer profiling is still an essential marketing strategy for segmenting the market in order to understand buying patterns, behaviour and lifestyle of customers, so as to tailor services to reflect their need and status. The study concludes that age, lifestyle and trading experience of motor part traders influence their utilization of electronic banking services. As age increases, older adults are less inclined to use e-banking platforms. However, lifestyle (attitudes, interests and values) influence utilization of electronic banking services among traders. The younger traders are more inclined to utilization of electronic banking services.

Recommendations

Based on the findings of the study, the following recommendations are made

1. The banks have to target those customers whose usage of internet enabled phones and USSD enabled devices as well as other technology products are on the higher side for promoting electronic banking services usage.
2. The banks have to encourage the existing users of internet banking, tele banking and mobile banking to use these services more frequently.
3. At the start of any segmentation (customer profiling endeavor) process, management should agree on and clearly state their goals using language that reflects targeting and measurement. Business objectives can be (1) new account, sales, or usage driven; (2) new product driven; (3) profitability driven; or (4) product or service positioning driven.

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