

PHYSICAL EVIDENCE AND CUSTOMER PATRONAGE OF BANKS IN NIGERIA: EMPIRICAL VALIDATION STUDY

ABSTRACT

The purpose of this study was to examine the impact of physical evidence on customer patronage of quoted Banks in south-south zone of Nigeria. The study population were 14 quoted Banks which are functionally registered and listed with the Nigeria Stock Exchange (NSE), Corporate Affairs Commission (CAC), and the Nigeria Deposit and Insurance Company (NDIC) and our unit for data generation were the top level managers of the selected banks and customers of the chosen banks which were randomly selected. Furthermore, we conducted a census study since our population for the study is not large. Therefore, forty two (42) managers on the ratio of 3 managers per bank and seven (7) customers randomly selected from the banks constituted our respondents for the study. Descriptively, the study variables were presented at the primary level of analysis. At the secondary level of analysis, the Spearman Rank Correlation Coefficient (SRCC) statistical tool was used in testing the postulated hypotheses. In addition we employed the Pearson Partial Correlation Coefficient Statistic (PPCC) to ascertain the extent to which the organizational factors moderate the relationship between physical evidence and customer patronage. The result of the analysis showed that there is a strong positive and statistically significant correlation between the dimensions of physical evidence and customer patronage. The study specifically revealed that efficient design of work place ambience; physical architecture and signs significantly impact on sales volume, profit margin, and customer retention. It was found that organization size and information technology capability strongly mediate the relationship between the predictor and criterion variable. Therefore, the study concluded that physical evidence significantly affects customer patronage. Hence, it was recommended that the panacea to poor customer patronage is predicated on the bank's ability to efficiently adopt physical evidence dimensions while taking cognizance of organization size and information technology since they positively and significantly impact on their level of customer patronage.

Keywords: *Physical evidence and Retail Bank Patronage.*

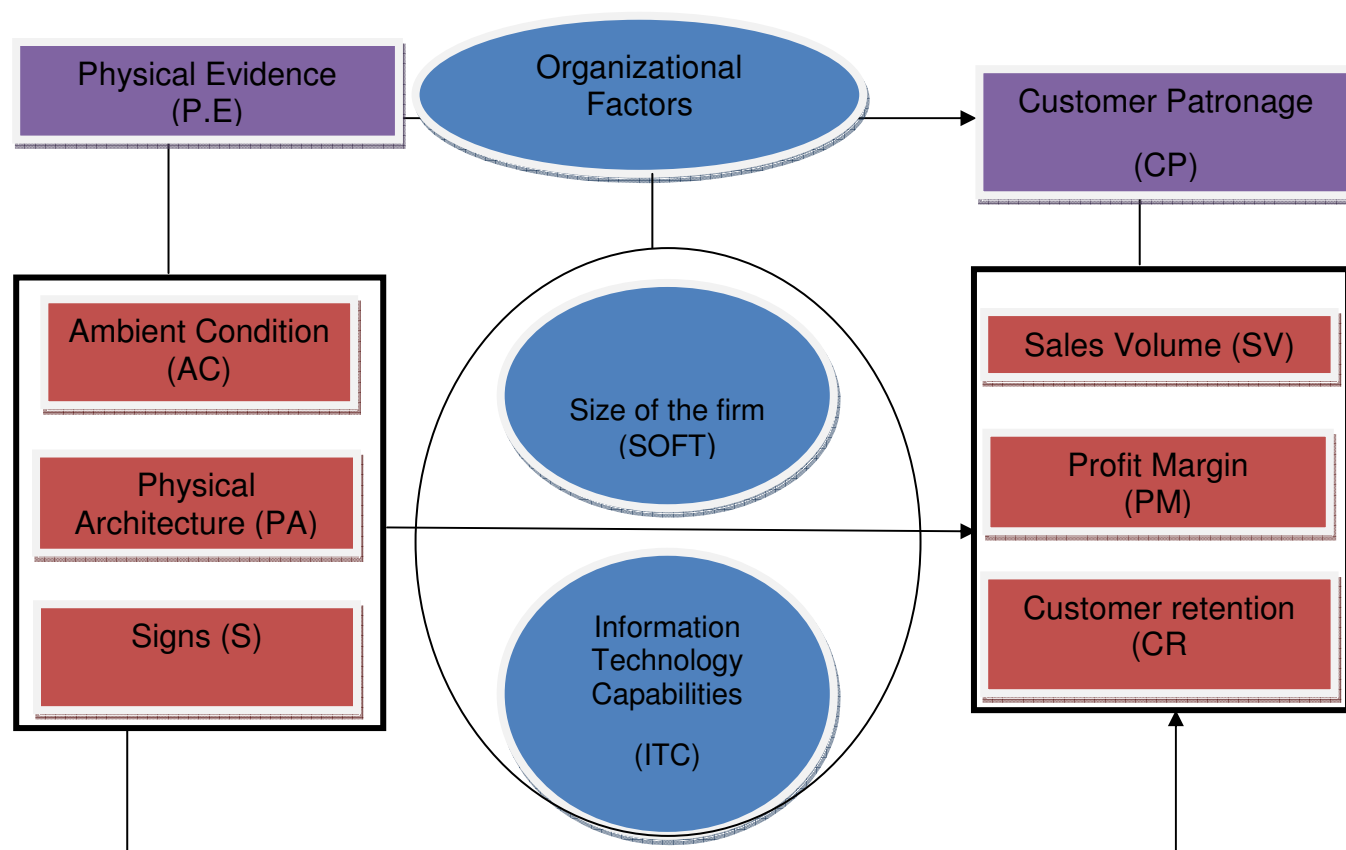
31 INTRODUCTION

32 The importance of physical evidence to how a customer thinks about a service has been
 33 recognized for some time now as observed by Shostack (2002)...”service images and service
 34 realities appear to be shaped to a large-extent by the things that the customer can comprehend
 35 with their five senses ³/₄ tangible things (and) when a customer attempts to judge a service
 36 particularly before adopting or buying it, that service is known by the tangible clues, the tangible
 37 evidence which surrounds it”. Service setting plays a critical role in shaping expectations,
 38 differentiating service firms, facilitating customer and employee customer goals, and influencing
 39 the nature of customer experiences (Bitner 2000).

40 The physical evidence (services cape) framework recognizes the importance of physical
 41 surroundings on employees as well as customers. The framework further illustrates that the
 42 environment is made up of a combination of environmental dimensions including Ambient
 43 Conditions (temperature, music), Physical architecture (layout and furnishing) and Signs
 44 (Corporate Branding), (Zeithaml and Bitner 2003). According to them ambience include
 45 (weather, temperature, quality of air, sound, music, smell, colour and light). Physical
 46 architecture (the way the equipment and furniture are managed. Signs (The signage or
 47 directions and the décor used to communicate).

48 As this literature stream has evolved from these early articles, marketing researchers have
 49 come to the realization that if consumers are influenced by physical stimuli experienced at the
 50 point of purchase, then, the practice of creating influential atmospheres should be an important
 51 marketing strategy for most exchange environments. As noted by Bitner (1992) article, such
 52 atmospheric planning can make the difference between a business (success or failure). Works
 53 in this area have used a variety of terms to describe these facility based effects on
 54 consumers/customers. Thus to consolidate the knowledge gained in this area and to encourage
 55 additional research, this article presents a review of literature stream that attempts to further the
 56 theoretical and empirical understanding of physical evidence (atmospherics/services cape)
 57 influences on customer patronage.

58 Turley and Milliman (2000), emphasized the need for additional theoretical development and
 59 that the review of literature indicates that the atmospherics effects exists but there has not been
 60 enough effort devoted to explaining, predicting and controlling the behaviour of consumers.
 61 Even though there has been a surfeit of articles on services marketing, there seems to be a
 62 surprising lack of empirical or theoretically based frameworks addressing the impact of physical
 63 evidence on Customer Patronage of Banks in Nigeria. Managers continually plan, build and
 64 change organization's physical surroundings, in an attempt to control its influence on Patrons
 65 but frequently the impact of a specific design or design changes on ultimate users of the facility
 66 is not fully understood (Bitner, 2000). This therefore will constitute our point of departure by
 67 investigating the knowledge gap that exists between physical evidence and Customer
 68 Patronage of Banks in the South-South Zone of Nigeria.



82 **FIGURE 1** **CONCEPTUAL FRAMEWORK DEPICTING PHYSICAL EVIDENCE AND CUSTOMER PATRONAGE RELATIONSHIP**

83 **Source:** *Researcher's Conceptualization From Review Of Related Literature 2014.*

84 The framework indicates the relationships or directions of influence among variables and
85 dimensions by the use of arrows. These arrows collectively show functional relationships;
86 hence, the title: Customer patronage is a function of physical evidence given the size of the firm
87 and information technology capabilities.

88

89 **THEORETICAL BACKGROUND**

90 **Understanding Physical Evidence**

91 Physical Evidence (services cape) could be seen as the environment in which the service is
92 assembled and in which the seller and customer interact; combined with tangible commodities
93 that facilities performance or communication of the service (Booms & Bitner, 1992). It is
94 important for service organizations including hospitality entities, to manipulate their physical
95 environment effectively to enhance patronage and increase repeat business (Namasivayam &
96 Lin, 2008).

97 Similarly, Bitner (1992) defined physical evidence as the built environment which has artificial
98 physical surroundings as opposed to the natural or social environment. Furthermore,
99 Namasivayam and Lin (2008), described physical Evidence as the physical environment of an
100 organization encompassing several different elements, such as overall layout, design and décor
101 of a store. The physical Evidence also includes aspects of atmospherics such as temperature,
102 lighting, colours, music and scent. (Bitner, 1992; Namasivayam & Lin, 2008). Physical evidence
103 is important since it influences not only consumers' cognitive, emotional and physiological states
104 but also their behaviors (Namasivayam & Lin, 2008).

105 Similarly, Blogett (1999) opined that there are three main dimensions of physical evidence
106 which are: Building design, décor equipment and ambience. They considered the fixed
107 elements of physical evidence: its architecture, landscape and site design. More so, Baker *et al*
108 (2002), used design perceptions, employee perception, music perceptions time/ effort cost
109 perceptions, monetary price perceptions, interpersonal service quality perceptions, merchandise
110 quality perceptions, merchandise value perceptions and store patronage intentions.
111 Furthermore, Lucas (2003), measured physical evidence with: seating comfort, ambient
112 conditions, interior décor, cleanliness, layout/ navigation, staff friendliness and service

promptness. However, in this work, we conceptualized and adopted a modified three dimensional framework similar to that of Bitner's (1992). The dimensions are ambient condition, physical Architecture and signs. The choice of these dimensions is anchored on the fact that they will best suit/match the firms under investigation.

In this study we operationally define physical evidence as the environment in which service is offered and where the company and customers interacts combined with tangible commodities that facilitates performance or communication of the service (See figure 2).

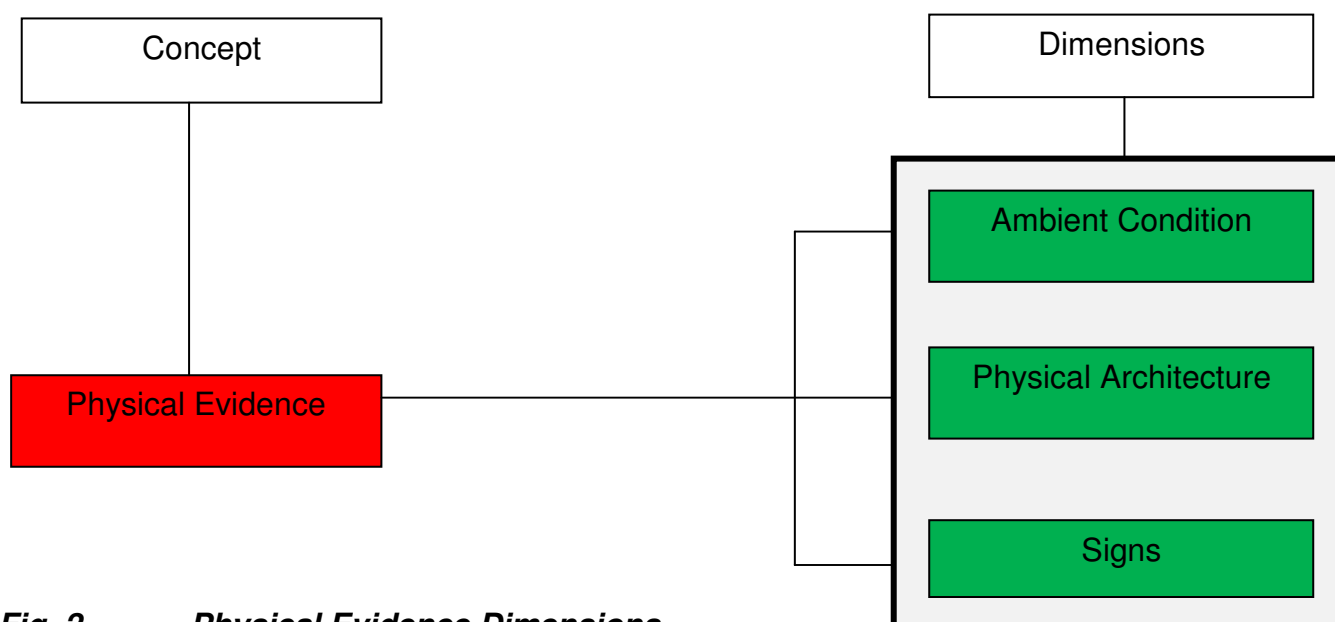


Fig. 2 *Physical Evidence Dimensions.*
Sources: *Author's Desk Research (2014)*

2.2 Customer Patronage

According to the Concise Oxford English Dictionary (2008), the word customer or consumer patronage mean a person or thing that eats or uses something or a person who buys goods and services for personal consumption or use. People patronize organizations products/services at one time or the other. In the context of this study, we may use customer patronage and loyalty interchangeably because customer patronage precedes loyalty. There is a strong relationship between patronage and loyalty. Patronage is burn out of a desire to be committed to an

organization either based on its service quality or perceived service qualities. Hence, the extent to which a customer will patronize the services of a bank depends on how the customer perceives the banks physical environment (services cape) and how the customer also thinks and feels that the condition of the service environment is consistent with his/her personality.

Banks in the 21st century often compete for customers in order to increase their market share. The possibility of any of these money deposit or retail banks to achieve their stated aims is hinged on their ability to evolve products (services) that will satisfy the needs and wants of their chosen target customers better than their competitors. Also, their service quality and delivery strategies should be improved while looking for new avenues to regularly attract and retain their customers. The importance or essence of repeat customer patronage is that an increase in sales volume will ultimately and significantly impact on the company's profitability level. The works of previous researchers on patronage of Banks were anchored on related measures used by the researchers on Business performance, marketing performance or effectiveness etc. Here, in measuring customer patronage, most researchers adopted measures similar to business or marketing performance. Notwithstanding the enormously complex and dynamic nature of the environment in which banks compete, there is a growing body of evidence that suggests it is possible to discern relevant measures or indicators of patronage in banks.

Accordingly, and in line with previous studies, Goddard *et al* (2004a), Akpan (2009), Ramakrishnan (2006), BenNaceur (2003), Asiegbu *et al* (2009), and especially Kosmidou *et al* (2006), this study views customer patronage as the means of a respondent's rating for his or her firm's sales volume/volume of transactions, profit margin and customer retention level.

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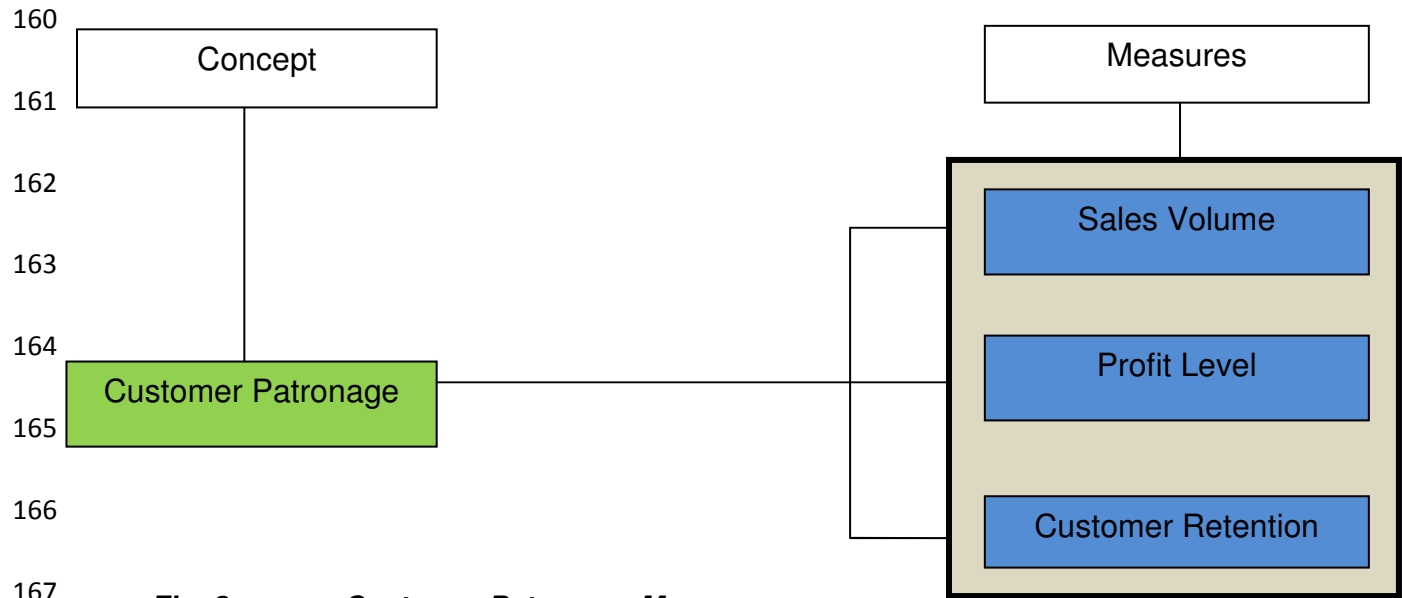


Fig. 3 *Customer Patronage Measures.*
Sources: *Author's Desk Research (2014)*

Relationship between Physical Evidence and Customer Patronage

The physical evidence is the outward appearance of the organization and thus can be critical in forming initial impression or setting up customer expectations (Arnand, 2008). Therefore, the ability of physical surroundings to facilitate achievement of organizational as well as marketing goals is apparent.

A long standing marketing principle is that understanding and satisfying customers leads to superior business results (Zhu and Nakata, 2007). An organization relates to its customers to achieve the understanding and increase patronage through the design of its service environments, service quality and service personnel. In other words, if the service environment (i.e. ambient condition) and the Physical architecture of the equipment are consistent with customer expectations, satisfaction will increase which will significantly increase the level of customer patronage.

Mukhtar, (2002) is of the view that firm size can also be an important determinant of firm performance and survival. Bigger firms may enjoy better physical environment and create rooms for conducive ambience than smaller firms which may have a tight and crowded atmosphere. Furthermore, a study by Madueme (2009), on Nigerian banking industry shows that information

185 technology capabilities of a company enhances efficiency, and strengthens service quality. In
186 addition, banks and other service firms that improve their IT base services will attract benefits
187 such as improved Sales Volume, higher productivity and improved financial performance.

188 Arguably, we believe that the design and efficient management of Bank service environment is
189 critical to customer patronage and overall level of business performance and so we argue that it
190 is possible the level of customer patronage of a firm (Bank) has a connection with the way it
191 designs its service environment and the functional nature of its equipment. Therefore, from the
192 review of the related literature we hypothesize as thus:

193 ***Ho₁:*** *There is no significant relationship between physical evidence and customer patronage*
194 *of banks in the south-south zone of Nigeria.*

195 ***Ho₂:*** *The size of an organization does not significantly mediate the relationship between*
196 *physical evidence and customer patronage of banks in the south-south zone of Nigeria.*

197 ***Ho₃:*** *Information technology capability does not significantly mediate the relationship between*
198 *physical evidence and customer patronage of banks in the south-south zone of Nigeria.*

199

200 **STUDY METHODOLOGY**

201 This study adopted the cross sectional survey method and the objectivist research strategies
202 where major decisions of the study were based on the nomothetic methodology which lays
203 emphasis on the importance of basing research upon systematic protocol and technique. This
204 approach focuses attention upon the process of developing questionnaire and testing
205 hypotheses in accordance with the canons of scientific rigor (Ahiauzu, 2006).

206 However, primary data were drawn from fourteen (14) functional and registered quoted banks in
207 the south-south zone of Nigeria which also constitute our level of analysis and target population.
208 Moreso, these banks were registered with the Corporate Affairs Commission (CAC), Nigerian
209 Deposit and Insurance company (NDIC), and the Nigeria Stock Exchange (NSE). Forty two (42)
210 copies of structured questionnaire were distributed on the ratio of three copies per bank and our
211 unit of analysis constitute the bank's general managers and other top management staff who

212 have direct contact with the customers. Ideographically, qualitative data were obtained from
 213 seven customers of these banks which were randomly selected. Furthermore, the generated
 214 data were analysed using tables and percentages and the postulated hypotheses were tested
 215 by employing the Spearman Rank Correlation Coefficient (SRCC) Statistical tool and Pearson
 216 Partial Correlation Coefficient Statistical Tool to ascertain the extent to which the organizational
 217 factors (Size of the firm and Information Technology Capability moderate the relationship
 218 between physical evidence and customer patronage). This was however facilitated by the
 219 Statistical Packages for the Social Sciences (SPSS) Version 15.0. Moreso, the research
 220 instrument was designed to adopt the likert scale point method in the measurement of the two
 221 Constructs Physical Evidence and Customer Patronage which ranges from “very high extent” to
 222 “very low extent” most of the instruments used to measure the constructs in this study are
 223 adapted from previous studies in order to ensure content validity. Items measuring physical
 224 evidence, include ambient condition, physical architecture and signs are adapted from Bitner
 225 (2000), Rosembaum and Messiah (2011), and Lucas, (2003). Customer patronage was
 226 measured by items which include sales volume, profit level and customer retention which were
 227 adapted from Cronin *et al* (2000), Asiegbu *et al* (2011), Adiele *et al* (2011) and Athanasoglou *et*
 228 *al* (2005). The validation process led us to seeking the opinion of experts in services marketing
 229 and service environment strategist. Towards this end, the questionnaire was pretested on
 230 selected managers of the different banks within the context of our study. Moreso, academic
 231 knowledgeable in this area of study were consulted to help correct errors in the questionnaire
 232 such as ambiguity, contradictory questions, poor wording of questions, misleading or poor
 233 instructions etc.

234 Furthermore, the Cronbach’s Alpha coefficient was used to ascertain or test for instrument
 235 reliability and it is also an indicator of the internal consistency of a measure (Witney, 1996),
 236 Ahiauzu, 2006). After the analysis the results were all above (0.70) threshold as suggested by
 237 Nunnaly (1978) indicating that our research instrument were both reliable and valid. We are
 238 therefore permitted to regard the items in the instrument as being internally related to the factors
 239 they are expected to measure (See table 1).

240

241

242 **Table 1: RELIABILITY COEFFICIENT OF VARIABLES MEASURED**

S/NO	Dimensions/measures of the study variables	Number of Items	Number of Cases	Cronbach's Alpha
1	Physical Evidence and Customer Patronage	5	42	0.969
2	Ambient Condition	5	42	0.868
3	Physical Architecture	5	42	0.762
4	Signs	5	42	0.878
5	Sales Volume	5	42	0.906
6	Profit Margin	5	42	0.875
7	Customer Retention	5	42	0.935
8	Organization Size	5	42	0.918
9	Information Technology Capability	5	42	0.861

243 *Source: SPSS Output Version 15.0*

244 4.0 DATA PRESENTATION AND RESULTS

245 The hypotheses and data on the effect of physical evidence on customer patronage of retail
246 banks in the south-south zone of Nigeria are presented and discussed in table 2.

247 *Ho₁: There is no significant relationship between physical evidence and customer patronage in*
248 *Banks in South-South Zone of Nigerian.*

Table 2 Linear Relationship between Physical Evidence and Customer Patronage

			Physical Evidence	Customer Patronage
Spearman's rho	Physical evidence	Correlation Coefficient	1.000	.847**
		Sig. (2-tailed)	.	.000
		N	42	42
	Customer patronage	Correlation Coefficient	.847**	1.000
		Sig. (2-tailed)	.000	.
		N	42	42

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Research Data 2014 and SPSS ver. 15 Output window

**TESTING THE SIGNIFICANCE OF THE MODERATING INFLUENCE OF ORGANIZATIONAL
FACTOR- ORGANIZATION SIZE ON THE RELATIONSHIP BETWEEN PREDICTOR AND THE
CRITERION VARIABLE**

Ho₂: *The Size of an organization does not significantly mediate the relationship between physical evidence and customer patronage in the Banks in South-South Zone of Nigeria.*

Table 3 **Correlations**

Control Variables			Physical Evidence	Customer Patronage	Organization Size
-none- ^a	Physical Evidence	Correlation	1.000	.888	.634
		Significance (2-tailed)	.	.000	.000
		df	0	40	40
	Customer Patronage	Correlation	.888	1.000	.659
		Significance (2-tailed)	.000	.	.000
		df	40	0	40
	Organization Size	Correlation	.634	.659	1.000
		Significance (2-tailed)	.000	.000	.
		df	40	40	0
Organization Size	Physical Evidence	Correlation	1.000	.809	
		Significance (2-tailed)	.	.000	
		df	0	39	
	Customer Patronage	Correlation	.809	1.000	
		Significance (2-tailed)	.000	.	
		df	39	0	

a. Cells contain zero-order (Pearson) correlations.

Source: Research Data 2014 and SPSS ver. 15 Output window

**TESTING THE SIGNIFICANCE OF THE MODERATING INFLUENCE OF ORGANIZATIONAL
FACTOR-INFORMATION TECHNOLOGY CAPABILITY ON THE RELATIONSHIP BETWEEN THE
PREDICTOR AND CRITERION VARIABLES**

Ho₃: *Information Technology Capability of an organization does not significantly mediate the relationship between physical evidence and customer patronage in the Banks in South-South Zone of Nigeria.*

Table 4 **Correlations**

Control Variables			Physical Evidence	Customer Patronage	Information Tech
-none- ^a	Physical Evidence	Correlation	1.000	.888	.520
		Significance (2-tailed)	.	.000	.000
		df	0	40	40
	Customer Patronage	Correlation	.888	1.000	.519
		Significance (2-tailed)	.000	.	.000
		df	40	0	40
	Information Tech	Correlation	.520	.519	1.000
		Significance (2-tailed)	.000	.000	.
		df	40	40	0
Information Tech	Physical Evidence	Correlation	1.000	.847	
		Significance (2-tailed)	.	.000	
		df	0	39	
	Customer Patronage	Correlation	.847	1.000	
		Significance (2-tailed)	.000	.	
		df	39	0	

a. Cells contain zero-order (Pearson) correlations.

Source: Research Data 2014 and SPSS ver. 15 Output window

DISCUSSION OF THE FINDINGS

Relationship Between Physical Evidence, And Customer Patronage

The test of hypothesis one, in (table 2) shows that there is a strong positive relationship between physical evidence and customer patronage in the sample of banks in south-south zone of Nigeria.

The positive value of (0.847) shows the strength of the relationship between the variables. The P-value (0.00) is less than the level of significance at (0.05). More so, their Cronbach's Alpha values are physical evidence (0.969), sales volume (0.906), profit margin (.875) and customer retention (.935) respectively. They are all indicative of the reliable nature of our research instruments. This suggests that a strong and positive relationship exists between physical evidence, sales volume, profit margin and customer retention. Hence, the null hypothesis is rejected.

However, this finding corroborates with the views of (Griffitt, 2002) that when people or customers are physically uncomfortable because of ambient temperature, their affective response to strangers is less positive than when they are physically comfortable. Hence, a good

280 ambient temperature significantly impacts on patronage (Osborne, 2003). The role of marketing
281 in an organization is basically to generate sales for the organization (Futrell, 1991). And these
282 are generated whether the company is product or service oriented. An organization (Bank) sales
283 volume is one of the major indicators of patronage and business effectiveness. A higher sales
284 volume depicts an appreciable customer retention level and a good customer retention level will
285 resultantly lead to an increase in the level of profit.

286 Furthermore, (Lovelock, 2002) opined that ambience are in general more important in service
287 settings because customers as well as employees often experience the firm's facility. The
288 ambience in a bank can aid or hinder the accomplishment of both internal organizational goals
289 and external marketing goals. Nowadays, Banks have learnt how to design their physical
290 settings/environment in such a way that can get their customers attracted and satisfied
291 (Rapoport, 2002). Every firm should in principle seek profitable growth over maximum sales
292 alone. For example profit index management studies (PIMS) find that a strong positive link
293 exists between sales volume and retention on investment (Hooley *et al*, 2005). Further, they
294 argued that superior market performance (Customer Patronage) likely results in superior
295 financial performance (profit margin).

296 In addition, Akpan (2009), asserts that maximizing returns and optimizing profitability became
297 the focus of banks and these can only be achieved through enhanced patronage, that is,
298 increased customer base, sales volume with attendant satisfaction sufficient to consolidate
299 customer loyalty and retention. From this discussion, it is apparent that physical evidence has
300 the capability to influence sales volume, profit margin and customer retention in banks. We
301 therefore, conclude that physical evidence positively and significantly affect customer
302 patronage.

303 **Relationship between organization size and how it mediates between physical evidence** 304 **and customer patronage**

305 The partial correlation coefficient result indicated that the size of the firm does significantly
306 mediate the relationship between physical evidence and customer patronage in the Banks in
307 south-south zone of Nigeria. The zero order correlation between physical evidence and

customer patronage shows the correlation coefficient where organization size is not mediating the variables; and this is fairly high at (.888) and statistically significant p-value (0.000). The partial correlation controlling for organization size however is a high (.809) and statistically significant p-value ($0.000 < 0.05$). The observed positive "relationship" between physical evidence and customer patronage is due to underlying relationships between each of those variables and organization size. Looking at the zero correlation, we find that both physical evidence and customer patronage are highly positively correlated with organization size, the control variable. Removing the effect of this control variable reduces the correlation between the other two variables to be 0.809 and significant at $\alpha = 0.05$, therefore we reject the null hypothesis and conclude that: The Size of an organization does significantly mediate the relationship between physical evidence and customer patronage in the banks in South-South Zone of Nigeria. However, from the forgone discussion, it is revealed that the size of an organization does significantly mediate the relationship between physical evidence and customer patronage in the banks in south-south zone of Nigeria.

This finding is in line with the views of (Aldrich, 2000; Ravichandran & Lertwongsatein, 2005). They opined that firm size can reflect past success and may influence current firm performance. Moreso, Mukhtar, (2002) is of the view that firm size can also be an important determinant of firm performance and survival. Bigger firms may enjoy better physical environment and create rooms for conducive ambience than smaller firms which may have a tight and crowded atmosphere. Furthermore, bigger firms also benefit from improved capacity to access critical resources such as business finance (Penrose, 1995), which will help them to gain competitive advantage and achieve better performance. In the tourism and hospitality industry, the size of a hotel room, sitting room and convenience significantly influences customer patronage and re-patronage intentions. Also cinema firms that do not make available ample sitting space for customers' convenience and satisfaction will stand the risk of losing them for competitors. Hence, it is pertinent to reiterate the fact that a company's ability to enhance its customer patronage is predicated on its deliberate effort to increase both the size of its firm and physical ambience of its operations. Therefore, we conclude that organization size mediate the relationship between physical evidence and customer patronage of banks in the south-south zone of Nigeria.

Relationship between Information Technology Capability and how it mediates the relationship between Physical Evidence and Customer Patronage.

The partial correlation coefficient result (in table 4) shown in table (1) indicated that information technology capability does significantly mediate the relationship between physical evidence and customer patronage of banks in south-south zone. The zero order correlation between physical evidence and customer patronage shows the correlation coefficient where information technology capability is not mediating the variables and this is fairly high at (.888) and statistical significant ($p\text{-value } 0.00 < 0.05$). The partial correlation controlling for ITC is however a high (.847). The observed positive "relationship" between physical evidence and Customer Patronage is due to underlying relationships between each of those variables and Information Technology Capability. Looking at the zero order correlation, we find that both physical evidence and customer patronage are highly positively correlated with Information Technology Capability, the control variable. Removing the effect of this control variable reduces the correlation between the other two variables to be 0.847 and significant at $\alpha = 0.05$, therefore we reject the null hypothesis and conclude that: Information Technology Capability of an organization does significantly mediate the relationship between physical evidence and customer patronage of the banks in South-South Zone of Nigeria.

The findings corroborates with the views of Baradwaj (2000), and Chirch (2000) that information technology capabilities of a firm can moderate its level of patronage and performance. It has been said therefore, that only organization that recognize the power of customers and satisfy their needs will move toward sustainability (Murphy, 2000). In many firms, information technology (IT) gives a major transforming advantage in marketing operations and other activities of an organization by providing the sales force with the wide array of hand held and laptop computers that enables the firms to collect detailed customer data and demand planning (Karim *et al* 2001).

Woherem (2000) claimed that only banks that overhaul the whole of their payment and delivery systems and apply ICT to their operations are likely to survive and prosper in the new millennium. He advices banks to re-examine their services and delivery systems in order to properly position them within the frameworks of the dictates of the dynamism of information and communication technology. Furthermore, he observed that Nigerian banks since 1980's have

performed better in their investment profile and use of ICT systems than the rest of industrial sector of the economy. Ovia (2005) observed that the revolution of ICT has made the banking sector to change from the traditional mode of operations to presumably better ways with technological innovation that improves efficiency. This finding supports the views of Osabuohien (2008) that ICT impacts positively on the speed of banking service delivery as well as productivity and profitability. Furthermore, a study by Madueme (2009), on Nigerian banking industry shows that information technology capabilities of a company enhances efficiency, and strengthens service quality. In addition, banks and other service firms that improve their IT base services will attract benefits such as improved Sales Volume, higher productivity and improved financial performance.

Jeffers (2003) discovers that a potential contribution of IT to a firm's performance is its complementarities with other resources in leveraging customer service performance which can be a major factor in determining the viability and competitive edge of the firm. In the views of Baradwaj (2000), firms with superior IT capability enjoy superior financial performance by boosting their revenues, increasing productivity, and/or decreasing cost. Hence, a firm (Bank's) IT capability should be beneficial to its performance in the long run and also influence the level of customer patronage. From the foregone discussions on the review of empirical literature, we have the impetus to conclude that information technology capability positively and significantly mediate the relationship between physical evidence and customer patronage.

CONCLUSION AND RESEARCH IMPLICATIONS

This article has explored some of the essential areas in which physical evidence and customer patronage are predicated upon and also established the relationship between these constructs.

Based on the findings obtained from our of discussion, empirical data analyses, and the review of empirical related literature thus far, we conclude that physical evidence affect customer patronage of banks in the south-south zone of Nigeria. Consequently, the implication of the study is that the use of physical evidence dimensions as strategies to improve customer patronage in banks should be recognized since both theoretical and empirical evidence has proven that the dimensions of physical evidence positively correlate with customer patronage.

Theoretically, banks should recognize that the environment of their business can help increase or reduce their level of business viability, employee performance and sales volume. From our findings and discussions, we develop a new physical evidence and customer patronage heuristic model presented in figure 4.

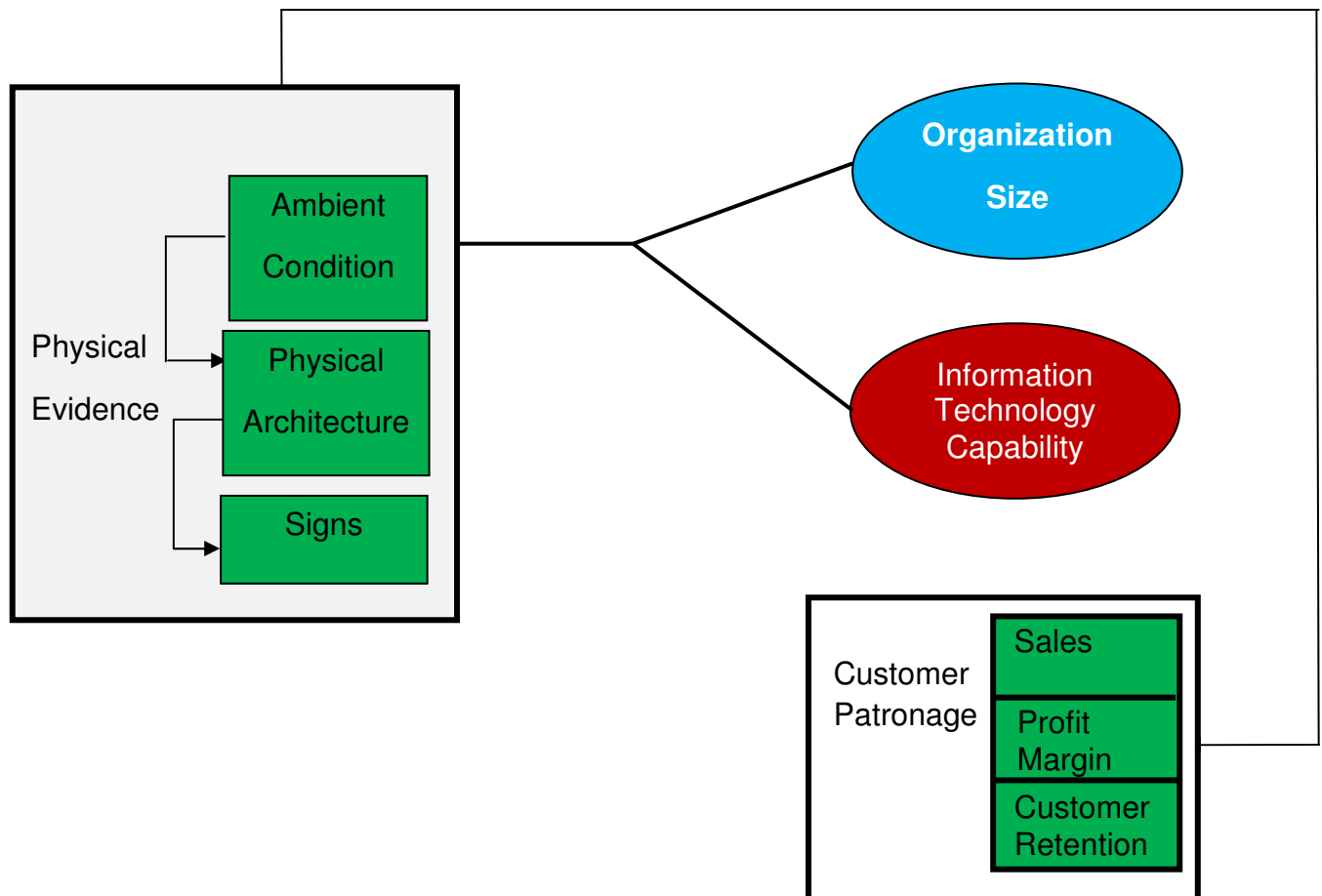


Figure 4 Physical Evidence and Customer Patronage Model

Figure 4 indicates that the three physical evidence dimensions/variables-ambient condition, physical architecture and signs influences customer patronage in the context of organizational factors-organization size and information technology capability of banks in the south-south zone of Nigeria. The practical implications of the study to bank management is that it will help them to recognize the need to take cognizance of their organization size and level of information technology. Organizations (bank) that are technologically balanced seem to have a better distinctive competence and competitive edge over their competitors. Banks that cultivate the

421 culture of adopting and implementing new technology has the possibility of becoming more
422 innovative and creative in the evolvement of products/services that will positively and
423 significantly impact on customer patronage and the company overall level of business
424 performance.

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