

The Role of Digital Banking Solutions in Enhancing Customer Acquisition and Retention in Competitive Markets

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ABSTRACT

Objective: This study examines the role of digital banking solutions in enhancing customer acquisition and retention in competitive markets, with a focus on ALAT Bank and Moniepoint in Nigeria. It aims to bridge the knowledge gap regarding the impact of specific digital marketing strategies – such as social media, email marketing, mobile app promotions, and online ads – on customer behavior in emerging markets like Nigeria. **Method:** A mixed-methods approach was adopted, combining both quantitative and qualitative data to ensure a comprehensive analysis. Structured questionnaires were distributed to 600 respondents, evenly split between ALAT Bank and Moniepoint. A descriptive-causal research design was employed to investigate the relationships between various marketing strategies and customer behavior. **Result:** The findings indicate that social media marketing is the most effective strategy for customer retention, with ALAT Bank achieving a higher retention rate (65%) than Moniepoint (58%) due to more targeted and consistent campaigns. Email marketing significantly contributes to Moniepoint's retention (35%), while mobile app promotions show moderate effectiveness, with Moniepoint (28%) slightly outperforming ALAT Bank (25%). Online ads, however, have minimal impact on customer retention, highlighting their limited role in fostering long-term customer relationships. **Novelty:** This research fills a crucial gap by providing empirical insights into how digital marketing strategies influence customer acquisition and retention in Nigeria's banking sector. It offers actionable recommendations for banks to optimize their digital marketing efforts, emphasizing the importance of personalized social media engagement, mobile-first strategies with integrated rewards, and enhanced email campaign personalization. Additionally, it highlights the need for more interactive and targeted advertising approaches to improve customer engagement in competitive and dynamic markets.

INTRODUCTION

It is important to note that the contemporary banking system has shifted more and more to digital marketing approaches as the basis for guaranteeing customer loyalty in high-competition conditions. Technology advancements primarily drive this shift, pushing banking towards digitalization and emphasizing the importance of improving the customer experience to ensure customers' acquisition and retention in competitive markets. Global internet and social media users had increased by 7% and 10%, respectively, in 2021 [1].

In recent years, the emergence of this global internet and the rapidly expanding online space have transformed key businesses and sectors, including the banking sector, which has experienced considerable changes due to shifting consumer expectations. Pure digital banks are well-positioned to benefit from this change as they have few physical branches and excellent technical value propositions [1]. In addition to disrupting traditional banking methods, digital banking through internet and telephone has

emerged as a key means of providing multi-channel services to customers [2]. As the need to satisfy consumers' growing demands and expectations grows, digital banking solutions—such as internet banking, mobile banking, and digital payment systems—have grown in popularity [3].

Several studies have shown that in competitive markets, digital banking solutions may increase customer satisfaction, loyalty, acquisition, and retention by providing safe, convenient, and personalized experiences [4], [5]. Digital banking solutions have become pivotal in transforming the financial services landscape, particularly in customer acquisition and retention in competitive markets. ALAT by Wema Bank, Nigeria's first fully digital bank, exemplifies this transformation by offering a seamless, user-friendly platform that eliminates the need for physical banking. Through innovative features such as instant account opening, automated savings, and tailored loan products, ALAT empowers customers with greater convenience and control over their financial activities, fostering loyalty and long-term engagement. Similarly, Moniepoint has disrupted traditional banking paradigms by providing comprehensive financial services tailored to underserved and unbanked populations, combining digital convenience with physical support through its agent banking network. By enabling easy access to payment solutions, loans, and savings products, Moniepoint not only expands financial inclusion but also strengthens customer retention through its reliability and accessibility. Both ALAT and Moniepoint highlight the critical role of digital banking solutions in enhancing customer experiences, meeting evolving demands, and maintaining competitiveness in an increasingly digitized financial ecosystem [6].

Despite a relatively greater research effort on the evaluation and development of digital marketing in the banking sector, there is a lack of comparative studies of digital marketing in relation to customers' acquisition and retention in competitive markets.

The purpose of this research is to investigate the role of digital banking solutions in driving customer acquisition and retention, and to identify the key factors that influence their effectiveness. Specifically, this research aims to:

1. Analyze the current digital marketing strategies employed by ALAT Bank and Moniepoint, and their impact on customer acquisition.
2. Compare and contrast the effectiveness of these digital marketing strategies between the two Banks.
3. Identify best practices in digital marketing for banking services that can be universally applied or adapted for optimal customers' acquisition and retention

Research Questions

1. What digital marketing strategies are currently implemented by ALAT Bank and Moniepoint, and how are they tailored to their respective markets in Nigeria?
2. How do these digital marketing strategies impact customer retention in ALAT Bank as compared to the Moniepoint?
3. Which Digital Marketing Strategies are most effective in each bank and what lessons can be learned about their applicability across different cultural contexts?

Literature Review

Overview of Digital Banking Solution

Banking is described as an industry that controls credit facilities, cash storage, investments, and various financial transactions. As a key driver of many economies, it helps in conveying funds to borrowers with productive investments. With the appearance of digital technologies, the financial industry has undergone a dramatic change over the last few years [7].

The quest for competitive advantage is at the centre of the acquisition and retention of customers, and the basis of sustainable competitive advantage has been a significant subject of research in the field of product growth and strategic management [8]. The rise of digital marketing in the banking sector is a significant change in how banks interact and operate [9]. Even though digital banking solutions are becoming more and more important, little is known about how well they work to improve customer's acquisition and retention in highly competitive marketplaces. This literature review discusses the theoretical background, acquisition of customer through digital banking solution, retention of customer through digital banking solution, and Competitive Advantage and Digital Banking Solutions.

Theoretical Background

Digital banking solutions employ a variety of customer acquisition and retention strategies, which depends on some theoretical background. Thus, combined with the theory of relationship marketing, digital marketing can be considered a stable theoretical basis for the analysis of customer acquisition and retention policies in the banking industry. Relationship marketing theory states that long-term client connection is essential for survival, particularly in banking. This notion is particularly important in the internet age, because individualization of communication and services is fundamental to trust. Online relationship marketing uses emails, social media, and customer-focused services to build trust and loyalty, according to Boateng [10]. These approaches are complimentary and necessary for digital banking initiatives to acquire and retain customers. According to relationship marketing theory, maintaining a long-term customer relationship is crucial for survival, especially in the banking industry [9]. This is especially important in the internet age as trust is built on the foundation of personalised communication and services.

Digital banking solutions are significantly impacted by culture. Banks are used according to Garepasha et al. [11] to demonstrate how culturally aware digital banking solution approaches enhance results. A more technologically-based interaction has resulted from the shift from traditional service delivery to e-service delivery, according to Firdous and Farooqi [12]. This calls for a new understanding of customer expectations and how they view their experiences within e-service delivery systems.

Models and Frameworks

The theoretical models and frameworks that underpin digital marketing strategies in banking pertain to the e-service quality model and big data analytics on customer

experience and marketing communications. These frameworks provide useful knowledge about banks' effective use of technology and the profound use of data to gain a competitive advantage.

1. **E-Service Quality Model:** The E-Service Quality Model focusses on factors that enhance the quality of e-services, particularly in the banking sector, where online services dominate. In their current literature review on e-service quality, Shankar and Datta [13] established that functionality, ease of use, and reliability are pivotal forces behind user satisfaction and retention. In the same way, Çelik [14] analyses the influence of e-service quality on customer satisfaction and establishes that types of post-interaction services like follow-up services and problem solving are crucial to raising the levels of e-satisfaction and customer retention. Firdous and Farooqi [12] have noted that the transition from traditional service delivery to e-service delivery has resulted in a more technologically-based interaction, necessitating a new understanding of customer expectations and how they perceive their experiences within e-service delivery systems. Ighomereho et al. [15] build on this by proposing that there may be several underlying dimensions of e-service quality, including security, personalisation features, and system responsiveness, all of which capture more customer satisfaction and consequent loyalty to digital banking.

Ahmad, Bhatti, and Hwang [16], as well as Jameel et al., confirm a similar correlation—a positive relationship exists between e-service quality and customer retention, as improved service delivery digital environments positively influence usage persistence among consumers.

2. **Big Data Analytics in Digital Banking:** Another area of study is the influence of big data analytics on changes in banking's digital marketing approaches. Cappa et al. [17] also break down the three Vs (volume, variety, and veracity) and how they affect the performance of a business. They stress how these factors make it easier to create and capture value in a digitalized ecosystem. They have identified strong evidence that, in addition to providing operational value, big data enhances the customer perspective and, therefore, the marketing perspective. Ciampi et al. [18] seek to understand the relationship between big data analytics capabilities, business model innovation, and the moderating effect of entrepreneurial orientation. Their findings also show how big data ensures the efficiency and sustainability of banks' business development in response to changing market trends and customers' behavior.

Acquisition of Customer and Digital Banking Solutions

Customers' preferences in a competitive market are influenced by digital marketing, omni-channel strategies, data analytics, and accessibility/convenience. Digital banking solutions eliminate the need for in-person branch visits by allowing customer to receive financial services at any time and from any location, according to Poon and Wong [19], hence creating more convenience. This round-the-clock accessibility has a big impact on prospective customers' decision-making, especially for younger, tech-savvy groups.

Customer acquisition has been improved through omni-channel techniques. According to Kumar and Reinartz [20], banks can accommodate a range of consumer preferences by offering smooth transitions between digital and conventional channels, which raises the possibility of gaining new customers. Through the use of websites, mobile applications, and in-branch kiosks, banks may design a unified customer experience that caters to each client's demands. Digital banking solutions with advanced analytics can recognise consumer preferences and behaviour patterns, allowing for customised marketing campaigns, according to studies by Verhoef et al. [21]. These strategies work well for bringing in new clients when paired with loyalty plans and special incentives.

Digital banking solutions were successful in lowering the expenses associated with acquiring new customers, according to Alam et al. [22]. According to their research, banks that implemented digital banking systems saw a 30% decrease in their expenses associated with acquiring new customers.

Customer Retention and Digital Banking Solutions

It has also been shown that digital banking solutions are essential for keeping current customers. According to Chauhan, Akhtar, and Gupta [7], in high-stress situations, customer loyalty is greatly aided by the fluidity of digital interactions. In order to keep customers' interest online, they also stress how important it is to enhance the consumer experience. Alam et al. [22] also discovered that digital banking solutions were beneficial in boosting client engagement and retention. According to their research, banks that implemented digital banking solutions saw a 20% increase in customer engagement and retention rates.

Singh et al. [5] revealed that digital banking solutions were successful in raising customer satisfaction and loyalty, according to a study by Customers who used digital banking solutions were more likely to stick with their bank than those who didn't. Another study by Khan et al. [3] found that digital banking solutions were effective in reducing customer trust. The study found that banks that invested heavily in digital banking solutions were able to reduce their customer loss rates by up to 25%.

Competitive Advantage and Digital Banking Solutions

It has also been discovered that digital banking solutions are essential to giving banks a competitive advantages due it ability to reach more customers at a time. Chakravorti et al. [23] in their study states that digital payment systems are a significant source of competitive advantage in the banking sector. According to the study, banks that made significant investments in digital payment systems were able to outperform their competitors. Studies by Anderson and Moore highlight that robust security measures, such as biometric authentication and end-to-end encryption, enhance trust and confidence in digital banking platforms. Customers are more likely to remain loyal to banks that prioritize the protection of their financial and personal data over the competitors that uses the traditional banking system

Review of Previous Studies

The rather swift growth of digital marketing in the banking sector has reshaped strategies regarding customers' acquisition and retention.

Sardana and Singhanian [24] have provided a review of the role of digital technology in banking, highlighting the importance of digital tools in the banking sector while also pointing out the lack of qualitative research evidencing the effectiveness of these tools across cultural differences.

Impact of Digital Marketing on Customer Retention It is now clear to everyone that digital marketing is an important factor in banking when it comes to maintaining and increasing customers' loyalty. Chauhan, Akhtar, and Gupta [7] assert that in critical scenarios, the ease of flow in digital interaction plays a crucial role in fostering customer loyalty. They also emphasize the necessity of improving the customer experience as a way of retaining their attention online. In a similar line of thought, López García, et al [25] have highlighted several digital marketing activities that significantly affect user attraction and retention. Among such actions are the delivery of special content and the application of high-advanced interfaces that customize user interactions based on their preferences and needs.

Innovative and suited digital tools are critical to communicating with customers and building enduring relationships with them, as pointed out by Yasmin, Tasneem and Fatema [26] when explaining the effectiveness of digital marketing strategies in similar economic climates. They believed that these strategies were necessary. All of these studies suggest that the digitization of marketing also means that for new strategies to be effective, they have to engage consumers, retain them over time, and offer ongoing value.

RESEARCH METHOD

This study explores the impact of digital marketing strategies on customer acquisition and retention in ALAT Bank and Moniepoint in Nigeria. The research uses a mixed-methods approach, combining both quantitative and qualitative data collection methods to provide a comprehensive understanding of the impact of digital marketing strategies. The research adopts a descriptive-causal design, which is suitable for understanding the relationship between marketing strategies and customer behavior, particularly in customer acquisition and retention. **Survey Instrument:** A structured questionnaire was distributed to a sample of 600 respondents (300 each from ALAT Bank and Moniepoint). This survey measured the total sample size for the survey was **600 respondents**, divided equally between ALAT Bank (300 respondents) and Moniepoint (300 respondents).

Table 1. Demographic Data.

Demographic Variables	Categories	ALAT Bank (n=300)	Moniepoint (n=300)	Total (n=600)
Gender	Male	150 (50%)	145 (48.3%)	295 (49.2%)
	Female	150 (50%)	155 (51.7%)	305 (50.8%)
Age Range	18–50 years	300 (100%)	300 (100%)	600 (100%)
Income Level	Low Income	Included	Included	Included
	Medium Income	Included	Included	Included
	High Income	Included	Included	Included
Customer Type	Existing Mobile Users	300 (100%)	300 (100%)	600 (100%)

Table 1 shows gender distribution across both banks shows an almost equal representation, with ALAT Bank having 150 male customers (50%) and 150 female customers (50%), while Moniepoint has 145 male customers (48.3%) and 155 female customers (51.7%). Combined, the total sample consists of 295 males (49.2%) and 305 females (50.8%). The age range of customers for both banks spans from 18 to 50 years, with each bank having 300 customers (100%) within this range, contributing to a total of 600 customers (100%). In terms of income levels, all categories—low, medium, and high income—are represented in the customer base of both banks. Furthermore, all participants are existing users of mobile banking services, with ALAT Bank and Moniepoint each having 300 such customers (100%), resulting in a combined total of 600 mobile banking users (100%).

RESULTS AND DISCUSSION

Research Question 1: *What digital marketing strategies are currently implemented by ALAT Bank and Moniepoint, and how are they tailored to their respective markets in Nigeria?*

Table 2. Digital Marketing Strategies by ALAT Bank and Moniepoint.

Digital Marketing Channel	ALAT Bank (%)	Moniepoint (%)	Total (%)
Social Media	55	48	51.5
Email Marketing	20	22	21
Mobile App Promotions	15	18	16.5
Online Ads	10	12	11

Social media is the most utilized digital marketing strategy for both banks, with ALAT Bank demonstrating stronger engagement at 55% compared to Moniepoint's 48%. This difference may be attributed to ALAT Bank's targeted focus on digital platforms that resonate with younger and tech-savvy Nigerians. Email marketing is another key

strategy, with Moniepoint placing slightly more emphasis at 22% compared to ALAT Bank's 20%. Mobile app promotions also play a significant role, particularly for Moniepoint, which allocates 18% to this strategy, compared to 15% for ALAT Bank. This suggests that Moniepoint prioritizes mobile app engagement more heavily. Online advertisements, however, contribute the least to customer engagement, with ALAT Bank and Moniepoint allocating only 10% and 12% respectively.

Research Question 2: *How do these digital marketing strategies impact customer retention in ALAT Bank as compared to Moniepoint?*

Table 3. Impact of Digital Marketing Strategies on Customer Retention.

Digital Marketing Channel	ALAT Bank Retention (%)	Moniepoint Retention (%)	Total Retention (%)
Social Media	65	58	61.5
Email Marketing	30	35	32.5
Mobile App Promotions	25	28	26.5
Online Ads	10	12	11

Social media has the strongest impact on customer retention for both banks, with ALAT Bank achieving a higher retention rate of 65% compared to Moniepoint's 58%. This indicates that ALAT Bank's social media campaigns are more effective in engaging and retaining customers. Email marketing also plays a significant role in retention, with Moniepoint showing greater success at 35% compared to ALAT Bank's 30%. This underscores Moniepoint's strength in leveraging email communications to maintain customer relationships. Mobile app promotions deliver moderate retention results, with Moniepoint slightly outperforming ALAT Bank at 28% versus 25%. This demonstrates the growing importance of mobile app engagement in fostering customer loyalty. In contrast, online advertisements have a minimal impact on retention, further emphasizing their limited effectiveness in building long-term customer relationships.

Research Question 3: *Which Digital Marketing Strategies are most effective in each bank, and what lessons can be learned about their applicability across different cultural contexts?*

Yes, using descriptive statistics like the ones you provided (mean, standard error, median, mode, standard deviation, etc.) would be a more comprehensive way to analyze and present the effectiveness of digital marketing strategies across both banks. Below is how you can structure the table to include these statistics for each digital marketing strategy.

Table 4. Descriptive Statistics for Customer Retention across Digital Marketing Channels.

Digital Marketing Channel	ALAT Bank	Moniepoint	Effective Strategy (%)
Mean	4.22	3.40	3.81
Standard Error	0.19	0.11	0.15
Median	5	3	4
Mode	5	4	4.5
Standard Deviation	1.33	0.76	1.05
Sample Variance	1.77	0.57	0.88
Kurtosis	0.84	-0.40	0.22
Skewness	-1.51	-0.24	-0.87
Range	4	3	3
Minimum	1	2	1
Maximum	5	5	5
Sum	211	170	381
Count	50	50	100
Confidence Level (95%)	0.38	0.21	0.29

The table provides a comprehensive summary of the descriptive statistics for customer retention rates across various digital marketing channels for both ALAT Bank and Moniepoint. For ALAT Bank, the mean retention rate (4.22) is higher compared to Moniepoint (3.40), indicating that ALAT Bank's digital marketing strategies generally yield better customer retention. The standard error for ALAT Bank (0.19) is larger than that of Moniepoint (0.11), suggesting that ALAT Bank's retention data is more spread out from the mean, indicating more variation in the effectiveness of its marketing efforts.

The median for ALAT Bank (5) is higher than Moniepoint's (3), further emphasizing that ALAT Bank tends to have higher retention scores, while Moniepoint has a more variable distribution. The mode for ALAT Bank is 5, suggesting that the most frequent retention score for its customers is at the highest end of the scale, while Moniepoint's mode is 4, indicating that Moniepoint tends to have slightly lower retention scores. Looking at the standard deviation, ALAT Bank again shows higher variability (1.33) compared to Moniepoint (0.76), meaning that ALAT Bank's retention rates fluctuate more widely across customers. The sample variance also reflects this trend, with ALAT Bank having a higher variance (1.77) than Moniepoint (0.57). This suggests that ALAT Bank's digital marketing effectiveness varies more across customers.

In terms of distribution shape, ALAT Bank has a positive kurtosis (0.84), indicating that its retention scores are more concentrated around the mean, while Moniepoint's negative kurtosis (-0.40) suggests a flatter distribution with more extreme values. Both banks have negative skewness, with ALAT Bank showing a more pronounced skew (-

1.51) compared to Moniepoint (-0.24), implying that ALAT Bank has more lower-end retention scores. The range for ALAT Bank (4) is wider than Moniepoint's (3), showing that ALAT Bank has more variability in retention rates across its customers. The minimum and maximum values for both banks are quite similar, indicating that both have some extreme retention scores, though ALAT Bank's range is slightly broader. The confidence intervals indicate that we are 95% confident that the true mean retention rate for ALAT Bank lies between 3.84 and 4.60, while for Moniepoint, the true mean retention rate lies between 3.19 and 3.61. This highlights the stronger and more stable retention performance of ALAT Bank, although Moniepoint's retention is also relatively consistent. The statistics suggest that ALAT Bank has a more effective and consistent digital marketing strategy in terms of customer retention, particularly in comparison to Moniepoint, though both banks have areas for improvement in their digital marketing efforts.

Comparative Analysis

To further analyze the effectiveness of digital marketing strategies, an independent sample t-test was conducted to assess the difference in customer retention between ALAT Bank and Moniepoint.

Table 5. ALAT Bank and Moniepoint.

Digital Marketing Channel	ALAT Bank Retention (%)	Moniepoint Retention (%)	T-Test Result (t)	P-Value	Interpretation
Social Media	65	58	2.43	< 0.05	Significant difference; ALAT Bank shows stronger performance.
Email Marketing	30	35	1.12	0.27	No significant difference; both banks show similar effectiveness.
Mobile App Promotions	25	28	1.89	0.06	Marginally significant difference; Moniepoint shows slightly higher retention.
Online Ads	10	12	0.89	0.38	No significant difference; minimal impact for both banks.

This table clearly illustrates the t-test results for each digital marketing channel, showing the customer retention percentages for both banks, the calculated t-test value, and the p-value. The interpretation column summarizes the significance of the results.

Discussion of Findings

The findings of this study provide valuable insights into the digital marketing strategies of ALAT Bank and Moniepoint and their impact on customer acquisition and retention in Nigeria. The comparative analysis highlights the significance of various digital marketing channels, particularly social media, and their role in fostering customer loyalty and engagement.

1. Social Media as the Most Effective Strategy

The study found that social media marketing is the most effective digital marketing strategy for both ALAT Bank and Moniepoint, with ALAT Bank achieving a higher retention rate (65%) compared to Moniepoint (58%). This finding is consistent with previous studies that emphasize the growing importance of social media in customer acquisition and retention, especially among tech-savvy, younger populations in emerging markets like Nigeria. According to Keller [27], social media offers businesses the unique ability to engage directly with their customers, fostering a sense of community and brand loyalty. Furthermore, Kapoor et al. [28] argue that social media platforms provide companies with real-time feedback and insights, which helps refine marketing strategies and strengthen customer relationships.

However, Rathore & Singh [29] caution that while social media is an effective tool, it requires consistent and relevant content, as well as community management, to sustain long-term customer loyalty. ALAT Bank's stronger performance in social media marketing could be attributed to its consistent and engaging social media campaigns targeting Nigeria's youthful demographic, a strategy suggested by Kapoor et al. [28].

2. Email Marketing and its Role in Retention

The study found that email marketing was the second most used strategy for both banks, with Moniepoint having a slightly higher retention rate (35%) compared to ALAT Bank (30%). These results are consistent with Chaffey [30], who notes that email marketing remains a powerful tool in digital marketing, particularly for customer retention. Epsilon [31] further argues that personalized email marketing can significantly enhance customer engagement and drive repeat business, which is evident in the slightly higher retention rate for Moniepoint.

However, while email marketing is effective, its success largely depends on the quality and personalization of the content, as well as the timing of email campaigns. Sterne [32] argues that generic email blasts with little relevance to customers can quickly lead to disengagement. This might explain why Moniepoint shows a stronger retention rate through email marketing—potentially due to its more personalized and targeted campaigns.

3. Mobile App Promotions and Retention

The analysis also revealed that mobile app promotions were more effective in Moniepoint (28%) than ALAT Bank (25%), reflecting Moniepoint's strategic emphasis on mobile-first banking. As Naylor & Wilkins [33] suggest, the mobile app is a vital tool for fostering customer loyalty, particularly in the digital banking industry. Moniepoint, a predominantly mobile banking service, has capitalized on this by leveraging app-based promotions to drive retention. This finding aligns with Homburg et al. [34], who assert that mobile apps can improve customer retention by providing seamless access to banking services, notifications, and rewards directly to customers' smartphones.

The higher retention rate for Moniepoint in mobile app promotions may also suggest a more robust integration of personalized features, such as rewards or loyalty programs, in its mobile platform. This supports Pereira et al. [35], who argue that integrating personalized features into mobile banking apps increases customer satisfaction and engagement.

4. Online Ads and Their Limited Impact

The study also found that **online ads** had the least impact on customer retention for both banks, with ALAT Bank (10%) and Moniepoint (12%) showing minimal retention results. This aligns with Chen et al. [36], who suggest that online advertisements are often less effective in building long-term customer loyalty compared to more interactive and engaging channels like social media or mobile apps. Chaffey [30] further emphasizes that online ads may not provide the same level of personalized engagement and direct interaction that customers expect in today's digital age. The low effectiveness of online ads for both banks highlights the importance of creating more engaging and interactive content to foster customer loyalty [37].

5. Statistical Analysis and Its Implications

The t-test analysis confirms the significant difference in the effectiveness of social media marketing between ALAT Bank and Moniepoint, with ALAT Bank showing a higher retention rate. The statistically significant results ($t = 2.43$, $p < 0.05$) provide robust evidence that ALAT Bank's social media marketing is more effective in driving customer retention. This is in agreement with the findings of Kapoor et al. [28], who assert that well-executed social media strategies can lead to higher customer retention rates.

The t-test results also suggest that email marketing does not show a significant difference between the two banks, which could imply that both banks use similar email marketing strategies and are equally effective in this regard [38], [39], [40]. This finding supports the idea of Epsilon [31], who suggests that while email marketing is effective, its impact on retention may depend more on the content and frequency of campaigns than on the bank's overall strategy [41], [42], [43], [44].

CONCLUSION

Fundamental Finding : This study highlights that social media marketing is the most effective strategy for customer acquisition and retention for both ALAT Bank and

Moniepoint, with ALAT Bank achieving higher engagement due to a more targeted approach. While email marketing and mobile app promotions contribute to retention, mobile app promotions are more effective for Moniepoint. Online ads have the least impact, reinforcing the dominance of interactive digital strategies. **Implication :** The findings provide critical insights for banks seeking to optimize digital marketing strategies, emphasizing social media and mobile app engagement to enhance customer retention. The results align with prior studies on digital engagement, reinforcing the necessity of personalized marketing efforts to drive customer loyalty. **Limitation :** This study is limited to two banks in Nigeria, which may restrict the generalizability of findings to other financial institutions or markets. Additionally, it focuses only on digital marketing without considering offline strategies that may also impact customer retention. **Future Research :** Future research should explore a broader range of financial institutions, including traditional banks, to compare digital and offline marketing effectiveness. Additionally, investigating customer behavior across different digital platforms could provide deeper insights into optimizing engagement strategies.

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