



**ST. MARY'S UNIVERSITY  
SCHOOL OF GRADUATE STUDIES  
MARKETING MANAGEMENT GRADUATE PROGRAM**

**THE EFFECT OF PROMOTION STRATEGIES ON  
DEPOSIT MOBILIZATION: THE CASE STUDY ON  
COMMERCIAL BANK OF ETHIOPIA**

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**JUNE 2018**

**ADDIS ABABA, ETHIOPIA**

**THE EFFECT OF PROMOTION STRATEGIES ON DEPOSIT  
MOBILIZATION: THE CASE STUDY ON COMMERCIAL BANK  
OF ETHIOPIA**

**A THESIS SUBMITTED TO DEPARTMENT OF MARKETING  
MANAGEMENT IN PARTIAL FULFILLMENT OF THE REQUIREMENTS  
FOR THE AWARD OF MASTERS OF ARTS IN MARKETING  
MANAGEMENT**

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**JUNE 2018**

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## DECLARATION

I, Admass Mulugeta Asefa, declare that the thesis entitled “The Effect of Promotion Strategies on Deposit Mobilization: The Case Study on Commercial Bank of Ethiopia”, is my original work prepared under the guidance of my advisor Dereje Teklemariam (PhD). This paper is submitted in partial fulfillment of the requirement for the award of Master of Arts Degree in Marketing Management and it has not been previously submitted to any diploma or degree in any college or university. I would like also to confirm that all the sources of materials used as a reference or model are appropriately acknowledged.

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## **CERTIFICATION**

This is to certify that Admass Mulugeta Asefa has carried out her study on the topic entitled “The Effect of Promotion Strategies on Deposit Mobilization: The Case Study on Commercial Bank of Ethiopia”. This work is original in nature and suitable for submission in partial fulfillment of the requirement for the award of Master of Arts Degree in Marketing Management.

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Date

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## **ABBREVIATION AND ACRONYMS**

<b>CBE</b>	-	Commercial Bank of Ethiopia
<b>BPM</b>	-	Business performance measurement
<b>ATM</b>	-	Automated Teller Machine
<b>GTP</b>	-	Growth and Transformation Plan
<b>ANOVA</b>	-	Analysis of Variance
<b>SPSS</b>	-	Statistical Package for Social Science
<b>IFB</b>	-	Interest Free Banking

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## ABSTRACT

*The study evaluates the effect of promotion mix elements .i.e. Advertising, Personal Selling, Sales Promotion, Public Relations and Publicity and Direct Marketing on deposit mobilization of Commercial Bank of Ethiopia. The target population was the employees and account holders of CBE in Addis Ababa. A qualitative and quantitative research approach was applied. A standard 5-point Likert scale questionnaires were distributed to a total of 786 sample members of which 386 were employees and 400 were account holders of CBE in Addis Ababa. A systematic simple random sampling technique was used to determine the sample members for CBE employees and a non-random sampling /Convenience sampling/ was used to determine the sample members for the customers. Ten years total deposit mobilized and promotion expense data were obtained to show the trend. The questionnaires were analyzed by using SPSS version 20 statistical software program and consequently Pearson Correlation and Multiple Regression analysis were carried out to test the relationship between the promotion mix elements and deposit mobilization. The study determined that the promotion mix elements have an effect on deposit mobilization and the level of their correlation and appropriateness was confirmed though their intensity varied. The effect of Direct Marketing on deposit mobilization was identified to be as the least. The hypothesis result also confirmed the same in the research model. Thus, the Management of CBE in collaboration with the Business Development Sub-Process and involving the concerned government body when the need arises have to work by giving critical attention in order to exploit the best out of each cent spent on promotion.*

**Key Words:** *Advertising, Personal Selling, Sales Promotion, Public Relations and Publicity, Direct Marketing and Deposit Mobilization*

# CHAPTER ONE

## I. INTRODUCTION

### 1.1. Background of the Study

The banking system is unlikely to be in a position to meet the demand for bank credit from the priority sectors - agriculture and small-scale industry - unless a concerted policy is pursued to raise the rate of saving generally and the rate of saving in the form of deposits in particular. So far, agriculture and small industry have been largely relying on borrowing from the unorganized market. To the extent to which the banking system is able to supplant this market, the latter's resources would be released for other purposes. Unless, therefore, the banking system can attract these released resources as deposits, it would not be able to meet the demand for credit that is likely to be generated. Of course, it should be possible to induce borrowers in the organized sector to restrict their demand for credit to some extent and this need to be done. But such switching has its limits. From a long-run point of view, the banking system can be viable only if it can mobilize deposits at the required rate. In addition, this can be done only by making a bank deposit more attractive as a financial asset than private lending in the unorganized market (*Marvin, 1991*).

Financial institutions, particularly banks apart from other functions, come into existence to mobilize financial resources by providing products or services to the target market or community. In order to harvest the maximum possible profit, resources whether in form of local or foreign currencies have to be mobilized, so that loans could be advanced and foreign trades i.e. import/export could be financed and facilitated (*Isabel, 2004*).

Marketing is a total system of business activities designed to plan, price, promote, and distribute wanted and satisfying products to target markets to achieve organizational objectives. Marketing strategies of banking sector revealed that banks can base their marketing strategies on various parameters which are broadly in terms of 7Ps of marketing viz., Product, Place, Price, Promotion, People, Physical Evidence and Processes. Marketing strategy is the firm's product-market choice, which is guided by the environmental necessities and firm's objectives and capabilities (*Saritha, 2011*).

Marketing facilitates the exchange process and the development of relationships. It requires examining the needs and wants of consumers, developing a product or service that satisfies these needs, offering it at a certain price, making it available through a particular place or channel of distribution and developing a program of promotion or communication to create awareness and interest (Belch & belch, 2003). Promotion, which is part of these P's is the direct way an organization tries to reach its publics through the five elements of the promotion mix known as advertising, sales promotion, personal selling, public relations and direct marketing.

Promotion plays a crucial role in determining organizations success, so that, it must be part of a viable marketing strategy and should be well coordinated with other marketing activities to realize organizations' objectives. This is because, spending a huge amount of budgets and executing a promotion campaign by itself does not guarantee success, provided that the products are of poor quality, priced improperly, or does not have adequate distribution to consumers (*Czinkota & Ronkainen, 2004*).

The Commercial Bank of Ethiopia (CBE) is the leading bank that introduced modern banking in the country. Currently, the bank has been operating with the strategic vision of becoming world-class commercial bank by the year 2025 with the missions of commitment to realize stakeholders' needs through enhanced global financial intermediation, supporting national development priorities by deploying highly motivated, skilled and disciplined employees as well as the state of the art technology and winning the public confidence as the basis of the bank's success. In line with its strategic direction, the bank has been expanding its services throughout the country and it's branches have reached 1,165 as at June 30, 2017 and has more than 15.9 million account holders all over the country. This is an encouraging achievement indeed, although the job is yet to be done given the existence of huge potential population as future customers. Thus, the situation calls for a lot of marketing to facilitate access to the overwhelming majority in the country, which is predominantly rural (*CBE, 2016/2017*).

While the bank is currently in a stage of fast expansion to all corners of the country, competition in the industry is also growing with the private banking services mushrooming and expanding. Hence, the prevailing condition demands a lot of work to be done. Among these is, ensuring the provision of quality services to customers, and creating awareness to the people about its services.



In this respect, the bank needs to effectively communicate and promote its services to existing and future customers to be. This is because; promotion has been evidenced to play a vital role in the existing financial market where CBE takes part Predominantly, the promotion and brand management sub-process and communication sub-process in CBE are responsible for undertaking the mainstream advertising and promotion tasks based on the predetermined marketing plan, objectives, and budget. Besides, all districts and branches are responsible in promoting the Bank's products and services and building its brand equity.

Currently, analogous to its branch expansion tasks, CBE is aggressively working towards introducing its products and services and building a cultural transformation towards saving and utilization of formal financial services. In doing so, it has been employing different promotional instruments suitable in reaching the society. However, the practice of promotion of CBE and its influence on the general public and/or the society is not yet premeditated. Hence, conducting this study was very timely and relevant. This study was therefore, aimed to examine the practice of promotion in CBE and its influence on saving behavior of customers and potential customers.

## **1.2. Statement of the Problem**

Marketing strategy implementation and competitive advantage in a growing competitive economy is crucial, especially with a speedily digitalized world. With the current rate at which the banking industry is adapting to technology and with the existence of inherent competition in the industry, it is important to review and adapt to current and relevant marketing strategies that will give commercial banks a competitive edge in mobilizing deposit and thus increase profits.

Commercial Bank of Ethiopia, as a leading bank in the industry in Ethiopia and being a public owned bank, has a huge responsibility in creating awareness about saving and in creating a banked and cashless society. Apart from the above mentioned two reasons, as a corporate citizen CBE finances mega projects of the country that have been undergoing in the GTP-1 and continued through GTP-2 and also private organizations and/or individuals that/who are engaged in the priority sector respectively i.e. Manufacturing, Export, Hotel and Tourism and Agricultural Business sectors. As a result, CBE is in the making of unreserved efforts to mobilize deposit and foreign currency by devising various strategic tactics, one of which is promotion.

In order to surpass the identical feature of financial services and get the lion's share in deposit mobilization, apart from service quality, effective promotion strategy is required. Failing to have proper promotion strategy which incorporates segmenting, targeting, positioning, and integrating promotion mix elements entails various adverse effects on the institutions resource mobilization effort.

This study therefore, was attempted to analyze to what extent the promotion strategies of CBE have effects on the efforts that have been made in creating awareness and thus mobilize the required deposit amount. The engagement of banks in stiff competition to win customers' has led into unnecessary war in the industry and has forced them to incur substantial costs.

### **1.3. Research Question**

The purpose of the Research paper was to have a better understanding about the effect of the promotion strategies of Commercial Bank of Ethiopia.

The study was guided by the following research questions:

- What are the promotion strategies of the CBE?
- Which audience is CBE trying to reach with its promotion mix?
- To what extent the promotion strategies contribute towards deposit mobilization?
- How much is the promotion mix appropriate?
- Which promotion media does the audience attend to or prefer most?

### **1.4. Hypothesis**

Using the appropriate data, the effect of one of the promotion strategies, i.e. the promotion mix on deposit mobilization was tested by the following hypothesis:

**Hypothesis 1:** Advertising has a significant and positive effect on deposit mobilization.

**Hypothesis 2:** Personal Selling has a significant and positive effect on deposit mobilization.

**Hypothesis 3:** Sales Promotion has a significant and positive effect on deposit mobilization.

**Hypothesis 4:** Public Relations have a significant and positive effect on deposit mobilization.

**Hypothesis 5:** Direct Marketing has a significant and positive effect on deposit mobilization.

## **1.5. Objective of the Study**

### **1.5.1. General Objective**

The general objective of the study was to investigate the promotion strategies of CBE that have been implemented in contributing towards deposit mobilization achievements.

### **1.5.2. Specific Objectives**

Specifically the study had the following main objectives:

- To explore and examine the promotion strategies of CBE
- To investigate the target markets that are supposed to be reached with CBE promotion
- To determine the contribution of promotion strategies to deposit mobilization in CBE
- To assess the level of appropriateness of the promotion mix of CBE
- To identify which promotion mix has more effect in influencing the target audience attitude towards saving

## **1.6. Significance of the Study**

This study is one of those studies that have been conducted to examine the promotion strategies in the Ethiopian Banking sector. Hence, it would have significant importance to the financial sector, mainly for CBE. More specifically, the study would complement at least by giving material understanding about the promotion strategy of CBE, in general terms. It would also indicate what are the least variables to consider while formulating a promotion strategy apart from being a basis for future related studies of the bank or other banks in the industry.

## **1.7. Scope of the Study**

The data obtained for this research were confined only to employees and customers of CBE that are found in Addis Ababa. Secondary data that covers ten years of total deposit mobilized and promotion expense were obtained to show the trend though only seven and half years elapsed since the commencement of the Gross Transformation Plan.

In addition, discovering the whole variables, which may have impacts on deposit mobilization efforts of CBE, were beyond the scope of this study and so, it was limited to the promotion strategies of CBE only. Additionally, because of shortage of resources, the in availability of information and lack of adequate communication network due to poor tracking of records and improper handling of documents. In addition, other dimensions of marketing mixes were not taken into consideration to address the issue.

## **1.8. Definition of Key Terms**

**Marketing:** is the process of planning executing the conception, pricing, promotion and distribution of ideal, goods, and services to create exchange that satisfy individual and original objectives.

**Promotion:** -is the function of informing, persuading, and influencing the customers purchase decision. Promotion is defined as providing information for persuasion (Riel, Mortanges, & Streukens, 2005).

**Promotion Mix:** - is the combination of one or more of the promotions in choosing to use.

**Advertising:** -is any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor. Any paid form of non – personal communication of ideas or products in the prime media, i.e. television, the process, outdoor, cinema, and radio. (Jobber, 2007)

**Personal Selling:** - is a form of person -to- person communication in which a seller attempts to assist and/or persuade prospective buyers to purchase the company's product or service or act upon an idea. Oral communication with prospective purchasers with the intention of making a sale(Jobber, 2007).

**Sales Promotion:** - is often defined as those marketing activities that provide extra value or incentive for purchasing a product and that can stimulate immediate sales from consumers or dealers. Incentives to consumers or the trade that are designed to stimulate purchase (Jobber, 2007).

**Public Relations and Publicity:** - It is communication of a product or business by placing information about it in the media without paying for the time or space directly (Jobber, 2007). It is non-personal stimulation of demand for a product, service, or business unit by planting

commercial significant news about it in published medium or obtained favorable presentation of it upon radio, television, or stage that is not paid for by the sponsor.

**Direct marketing:** - Direct connections with carefully targeted individual consumers to obtain immediate response and cultivate lasting customer relations with mail, telephone, fax, internet etc. The distribution of products, information, and promotional benefits to target consumers through interactive communication in a way that allows response to be measured (Jobber, 2007).

### **1.9. Limitation of the Study**

The outcome of the study entirely depended on responses of the respondents included in the study sample and the facts that were obtained in the secondary data. Moreover, as the sample as small considering the huge number of branches of CBE all over the country, the results could not be generalized beyond the specific population from which the sample was drawn.

### **1.10. Organization of the Research Report**

The final paper for the study was organized into five chapters. The first chapter deals with the background of the study, statement of the problem, research questions, objectives of the study, the hypothesis, the significance of the study, scope of the study, definition of terms and limitation of the study and organization of the research report. The second chapter included literature review, various literatures on the concept of promotion and its application to the banking industry were discussed and tried to examine what promotion strategies have effects on deposit mobilization. Empirical review was also included. The conceptual framework was drawn based on the literature reviews. The third chapter deals with the methodology of the study. The fourth chapter deals with analysis of the data and presentation of the output. In the fifth chapter, the researcher concludes the findings of the study and recommends based on the conclusion made and cited some points as indicators for future studies.

## **CHAPTER TWO**

### **II. REVIEW OF RELATED LITRATURE**

#### **2.1. Introduction**

The objective of this chapter is to get the theoretical and empirical understanding of the concept of promotion strategies and deposit mobilization. The concepts written by various scholars on the role of promotion and its strategies have been discussed. The review has also identified and discussed the different elements of promotion strategies. The researcher has also tried to review various empirical studies that are related to this research topic. Finally, the research model; i.e. the conceptual framework was plotted in order to put a clear picture about the variables in the research area.

#### **2.2. The Role of Promotion**

Promotion is the communication aspect of the marketing mix. It is creating a channel for conversation with the targeted consumer base. Through promotion, the company aims to attract the customer's attention and give them enough information about the product to foster enough interest to motivate them to purchase. Understanding the dynamics of the target audience and deciding which modes of promotion are likely to help meet targets. Once the channel is decided, information from other elements of the mix is incorporated to ensure that the message sent corresponds to the actual product features, benefits, and user experience. None of the elements of the marketing mix works in isolation (Martin, 2015).

Different organizations have different expectations from their promotional activities. These expectations are developed into objectives, which then shape the selection and execution of these activities. Some possible objectives of promotion for any company may include:

##### **2.2.1. Building Awareness**

Often, a product or brand may need to create an identity within the market. For the most part, this applies to a new company, a new brand, or a new product. However, often it may also be needed in

times of rebranding or building up a failing product. The aim then is to select those promotional activities that help inform the customer about the company and the product.

### **2.2.2. Creating Interest**

If the customer is already aware of the product or has been made aware through some activities, it becomes necessary to move them along to actual purchasing behavior. The aim here is to identify a need that the product fulfills and make sure that the customer recognizes this need as something that is unfulfilled for them.

### **2.2.3. Providing Information**

Sometimes, a company may just need to provide necessary information regarding the product, its benefits, features, or usage to the consumer. This may be the case if a new product is introduced into the market. Unique features or benefits may need to be explained. In other cases, a new feature on an existing product may need to be highlighted. In some cases, such as in instances where environmental impact or health scares may be in play, information about a change in business practices and company policy may need to be communicated (Martin, 2015).

### **2.2.4. Stimulate Demand**

A company may seek to enhance its sales through promotion. If sales have been lower than usual, then the aim may be to get them back up to target level by re-engaging old customers and encouraging new ones to try a product out. In other instances, the aim may be to increase sales further at certain times of the year such as near a major holiday. Free demonstrations or special deals may be used to reach these ends (Martin, 2015).

### **2.2.5. Differentiate product**

In situations where there are many competitors in the market, a company may seek to use promotional activities to differentiate its product in the market and make it stand out from the crowd. The focus here remains on those features, functionalities, or benefits that may not be offered by a competitor or may not be offered so well.

### **2.2.6. Reinforce the Brand**

One basic aim of a promotional activity may be to further strengthen the brand and its place in the market. This helps turn a first time purchases into a life time purchaser. This can also help create advocates for the product from within the customer base.

### **2.3. Promotion in the Banking Sector**

The banking sector seems to have displayed a halfhearted approach towards promotion strategies. There seems to be a lack of commitment to advertising, communication, and personal selling. Customers are not aware of deposit related schemes except savings accounts and usage of other schemes is quite poor. Among credit-related schemes, loan against deposits, facilities like demand draft, safe deposit lockers, travelers' cheques, and gift cheques are better known. However, their usage is very low. A good number of services are not at all popular owing to low awareness and usage.

Customers can be made aware of these services and their usage improved through meetings, exhibitions, personal contacts, etc. Meetings can be held (at least twice in a month) between bank staff and customers which would help customers become aware of various banking services and motivate to use these services. Bank staff can also identify problems customers face in using these services (*Martin, 2015*).

### **2.4. Promotion vs. Deposit Mobilization**

Contemporary business theory argues that companies must compete to keep or gain market share. Innovation is considered to be the key to creating competitive advantage. Marketing mix strategies for competitive advantage include the four Ps; product, price, place and promotion. Where a service is involved, process, people and physical evidence are considered. When these marketing mix variables are used appropriately, it could lead to an increase in company's success. These variables influence buyer perspectives and are designed to deliver customer benefits. The challenge for a marketing mix strategy is to find a way of achieving a sustainable competitive advantage over the other competing products and firms in a market. Marketing mix elements can be used competitively to achieve competitive advantage, and to influence the perception of consumers about a bank (*Martin, 2015*).



### **2.4.1. The Concept of Deposit Mobilization**

According to (*Abay, 2010*), are funds that customers place with a bank and that the bank is obligated to repay on demand, after a specific period of time or after expiration of some required notice period. Thus, mobilization of deposits for a bank is as essential as oxygen for human being. Banks design their deposit mobilization strategy depending on the country's investment development rate through branch expansion, using hi-tech technologies, continuously training deposit promoting staff, developing high organizational trust, giving client full pledged facilities at new or at existing branch, widening the banks deposit products, using high media coverage, branch expansion, educating households about the benefit of saving, providing door to door services and so on.

### **2.4.2. Major Types of Deposit products**

Deposit account is a savings account, current account or any other type of bank account that allows money to be deposited and withdrawn by the account holder. These transactions are recorded on the bank's books, and the resulting balance is recorded as a liability for the bank and represents the amount owed by the bank to the customer. Some banks may charge a fee for this service, while others may pay the customer interest on the funds deposited. The account holder has the right to withdraw any deposited funds, as set forth in the terms and conditions of the account. The following are most common type of bank deposit (*Ketema, 2017*).

**Demand Deposit:** it consists of funds held in an account from which deposited funds can be withdrawn at any time without any advance notice to the depository institution. Demand deposits can be "demanded" by an account holder at any time. Many checking accounts today are demand deposits and are accessible by the account holder through a variety of banking options, including teller, ATM and online banking.

**Savings Account:** is a deposit account held at a bank or other financial institution that provides principal security and a modest interest rate. Depending on the specific type of savings account, the account holder may not be able to write checks from the account (without incurring extra fees or expenses) and the account is likely to have a limited number of free transfers/transactions.

**Time Deposit:** time deposit or certificate of deposit (CD) held for a fixed-term, with the understanding that the depositor can make a withdrawal only by giving notice. A time deposit is an interest-bearing bank deposit that has a specified date of maturity. Generally speaking, the longer the term the better the yield on the money (Ketema, 2017).

### **2.4.3. Importance of Deposit mobilization**

#### **2.4.3.1.Source of investment**

According to (Ongore & Kusa, 2013), Intermediation function of banks play a vital role in the efficient allocation of resources of countries by mobilizing resources for productive activities. They transfer funds from those who do not have productive use of it to those with productive venture. (Nwanko, Ewuim, & Asoya, 2013) States that, savings are resources which one decides to put aside for investment purposes and not for luxury. What people save, avoiding to consume all their income, is called "personal savings". These savings can remain on the bank accounts for future use or be actively invested in houses, real estate, bonds, shares and other financial instruments.

#### **2.4.3.2.Low cost**

According to (Shettar & Sheshgiri, 2014), the success of the banking greatly lies on the deposit mobilization. Performances of the bank depend on deposits, as the deposits are normally considered as a cost effective source of working fund. (Elser, Hannig, & Wisniwski, 1999), savings are a source of funds with low financial costs i.e., interest costs, Compared to other commercial funds. With regard to financial costs, most of the institutions apply a differentiated interest rate schedule, compensating for the higher administrative costs with no, or low interest rates on small savings and increasing them according to the size of the deposit.

#### **2.4.3.3.Source of profit**

According to (Varman, 2005), the ability of a bank's management and staff to attract checking and saving accounts from business and individuals is an important measure of the bank's acceptance by the public. Deposits provide most of the raw materials for bank loans and thus represent the ultimate source of bank profits and growth. (Tuyishime, Memba, & Mbera, 2015), also affirmed that, Deposits are an indispensable tool commercial banks use to enhance its profitability through

advancing deposits mobilized to its customers in form of loans which make in return interest to commercial banks.

#### **2.4.3.4.Economic Growth and Development**

According to (Ongore & Kusa, 2013), In addition to resource allocation, good bank performance rewards the shareholders with sufficient return for their investment. When there is return, there shall be an investment, which, in turn, brings about economic growth. On the other hand, poor banking performance has a negative repercussion on the economic growth and development.

### **2.5. Determinants of Bank Deposit**

Determinants of Bank Deposit include, Bank Profitability, Bank Liquidity, Bank Credit Risk and Bank Lending Capacity. Measures of banks deposit performance over the years have been either based on return on assets or return on equity (Hassan & Bashir, 2003). According to (Olagunju, Olanrewaju, Olabode, & Samuel, 2011), Liquidity involves three elements or characteristics namely Marketability, Stability and Conservatism. Liquid assets should be more marketable or transferable. That means, they are expected to be converted to cash easily and promptly, and are redeemed prior to maturity. According to (Osei, 2015), “Institutional governance, ownership and reputation of the financial institutions are key factors for successful deposit mobilization. Prior to offering voluntary deposit services, Financial Institutions must ensure that they have the institutional structures that allow them to mobilize savings legally. “Institutional capacity requires that adequate governance, management, staff and operational structures are in place to provide saving services” this in turn determines the bank’s capacity to absorb credit risk.

### **2.6. Promotion Strategy an Overview**

Promotion is the direct way an organization tries to reach its publics. This is performed through the five elements of the promotion mix including advertising, sales promotion, personal selling, public relations and the direct marketing (Michael & Ronkainen, 2004).With the growing importance of the financial sector, pressures are escalating for more effective marketing management of the financial services. Despite the recent recessions, the financial services sector is continuing to grow in terms of turnover and profits and thus, has a supreme impact on the other spheres of the economy. Consequently, there is currently growing interest in applying marketing techniques and

tools in financial services (Median, 1996). In spite of major changes on the market of financial institutions, there are indications that banks have not yet successfully embraced the marketing philosophy or achieved levels of its implementation consistent with satisfied customers.

Financial institutions are realizing that their established promotion practices are inadequate for new market conditions as levels of customer defection in the sector grow. Traditionally, banks have tried to reach out to everyone in the community, but recent research proposes that banks should aim to identify and serve micro-segments (Dawes & Brown, 2000). The role of promotion has been redefined into managing long-term relationship with carefully selected customers, including construction of learning relationship where the marketer maintains a dialogue with an individual customer (Dawes & Brown, 2000).

The complexity in the banking services is also an issue of vital importance. This is the time when banks are offering new and innovative services; frequently in the market. The content of promotional tools should help the customer in making most valuable decision. This can be firmly said that well designed promotional strategies are very important to promote banking services effectively. In marketing any product or service, customer satisfaction has been given prime importance. The most frustrating aspect of bank marketing are lack of management support, lack of inter-departmental co-operation, crisis management, government intrusion and advertising and media problems (Berry, Kehoe, & Rudelius, 1980).

(Kristina, A Conceptual Framework of Online Banking Services, 2006), Recommends that promotional strategies should be designed as per the nature of services to be promoted. The advertisers should seek a narrative approach to communicate the service experience rather than a logical, argumentative approach. Location convenience, speed of service, competence, and friendliness of bank personnel are also the most important points with maximum value in banking services. While formulating marketing strategy, a bank should focus attention on; consumer sovereignty, attitude, responsiveness, and personal skills of bank staff, revitalizing the marketing department, top management support to the marketing department and participation of marketing personnel in key bank decisions (Kumar, 1991).

### **2.6.1. Elements of promotion Strategy**

Advertising is any paid form of non-personal communication about an organization, good, service or idea by an identified sponsor (Berkowitz, Kerin, Hartley, & Rudelius, 2000). Advertising is a highly public mode of communication. It is a persuasive medium that permits the seller to repeat a message many times. It provides opportunities for dramatizing the company and its products through artful use of print, sound, and color. Advertising, unlike personal selling is impersonal. It carries a monologue message to the audience from an identified source (Owaga, 2002). In recent years, the role of advertising in the banking industry in both personal and corporate markets has expanded dramatically and the financial services industry is now one of advertising revenue. In developing advertising strategy, the bank must first ensure that it conforms to overall marketing strategy (Channon, 1985).

Coupons, rebates, samples, and sweepstakes are a few examples of sales promotions. The advantage of sales promotion is that the short-term nature of these programs (such as coupon or sweepstakes with an expiration date) often stimulates sales for sales for their duration. Offering value to the consumer in terms of a cent-off coupon or rebate provides an incentive to buy. Sales promotions cannot be the sole basis for a campaign because gains are often temporary and sales drop off when the deal ends (Berkowitz, Kerin, Hartley, & Rudelius, 2000).

Trade Promotions may also be offered when bank services such as consumer finance are provided through third parties like retailers or automobile distributors. Within banks, incentives are being increasingly offered for superior performance. Many banks now offer bonuses for meeting sales objectives or other incentives such as contests, free goods, and holidays. Promotions attract deal-oriented consumers who are likely to switch banks rather than new long-term accounts (Channon, 1985).

Public relations is building good relations with the company's various publics by obtaining favorable publicity, building up good corporate image, and handling or heading off unfavorable rumors, stories and events (Kotler & Armstrong, 2005). Publicity is a non-personal, indirectly paid presentation of an organization good or service. It can take the form of a news story, editorial or product announcement (Berkowitz, Kerin, Hartley, & Rudelius, 2000). The key objective of publicity is to obtain editorial coverage, as distinct from paid space in media seen by the bank's

desired customer base. Public relations are more of a background activity and are designed to enhance the banks position with specifically targeted audiences (Channon, 1985). Personal Selling is a face to face presentation and promotion of products and services. There is a direct interaction between the firms' sales employees and customers (Thuo, 2008).

Direct marketing consists of direct connections with carefully targeted individual consumers to both obtain an immediate response and cultivate lasting customer relationships (Kotler & Armstrong, 2005). It is the use of consumer-direct channels to reach and deliver goods and services to customers without using marketing intermediaries. These channels include direct mail, catalogs, telemarketing, interactive TV, kiosks, websites, and mobile devices. It is one of the fastest growing avenues for serving customers (Kotler P. , 2003). Viral Marketing has emerged in modern marketing practice. It is a term used to describe a whole set of aggressive promotion. It includes paying people to say positive things about a firm's products via word of mouth, emails, blogs, and mobile phones. It also involves setting up multilevel selling schemes where individuals get commissions for directing friends to certain outlets, products, and websites (Thuo, 2008).

The intervening variables involve other factors that have a direct or indirect effect on performance. For promotional strategies to be effective, the following variables must be present; Product, Place, Business environment, People, Physical evidence and process. Product is one of the elements in the marketing mix. A product is a good or service combination the company offers to the target market. Price is the amount of money customers have to pay to obtain the product (Kotler & Armstrong, 2005). It involves price levels, discounts, commissions, terms of payment and credit (Thuo, 2008). Place/Distribution element comprises of those functions of the firm involved in getting products from the manufacturer to the customer (Lilien, Kotler, & Moorthy, 2003). Business environment comprises a wide range of influences: Economic, demographic, social, political, legal and technological which affect business activity in a variety of ways. It can impinge on the process of resource acquisition and on the creation and consumption of output. A 'PESTLE' (Political, Economic, Socio-Cultural, Technological, Legal and Ecological influences) analysis can be used to analyze a firms' current and future environment as part of the strategic management process (Britton, 2006).

(Kotler P. , 2003) Suggests that the traditional marketing mix approach used in the marketing of goods is insufficient to market and manage services effectively because of services distinctive features. Marketing strategies for services should then be extended by the addition of three more Ps namely People, Processes, and Physical ambience. People include all humans active in service delivery and thus influence buyer's perceptions, which are the firm's customers and other customers in the service environment. Process involves actual procedures, mechanisms and flow of activities by which service is delivered. It is the service delivery and operating system (Thujo, 2008). Physical Evidence/Ambience refers to the environment in which the service is delivered. It is where the firms and customers interact. It includes tangible components that facilitate performance or communication of the service. Service providers should then ensure that their service provision setups reflect their desired positioning standards (Thujo, 2008).

Business performance measurement (BPM) systems need to provide insight into different units or levels of analysis. Performance can be ascribed to corporations, business units, support, or functional units, teams and workgroups and individuals.(Haas & Kleingeld, 1999). A corporate wide BPM system can help articulate the theory of the firm (why different business units exist within the corporation) and improve overall performance by exploiting synergies between the business units (Kaplan & Norton, 2001). (Mittal, 2008)Notes that promotional strategies adopted by public and private banks in India found out that Public sector banks do not go for innovative strategies of promotion, however they go for interactive marketing through internet, but that is not promoted so much like private sector banks. According to (Kristina, 2006), promotional strategies should be designed as per the nature of services to be promoted but does not explain how strategies influence performance of a firm (Aliata, Odondo, Aila, Ojera, Abong'o, & Odera, 2012).

### **2.6.2. Marketing Mix Strategy**

The components of the marketing mix can change a firm's competitive position (*Gronroos, 1994*).To outperform the competition requires solid marketing knowledge and precision in marketing decision making. The marketing mix strategy used by a particular firm will vary according to its resources, market conditions and changing needs of clients. The importance of some elements within the mix will vary at any one point in time. Decisions cannot be made on one element of the marketing mix without considering its impact on other.(*Low & Kok, 1997*)Pointsout

that “the number of possible strategies of the marketing mix is infinite. Competitive advantage grows out of the way firms perform discrete activities - conceiving new ways to conduct activities, employing new procedures, new technologies, or different inputs. Different strategic activities lock out imitators (*Goi, 2009*). A firm is said to have a competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential player(*Barney, 1991*).Successfully implemented strategies will lift a firm to superior performance by facilitating the firm with competitive advantage to outperform current or potential players(*Passemard & Calantone, 2000*).

## **2.7. The Promotion Mix**

The basic tools or elements that are used to accomplish an organization’s communication objectives are often referred to as the promotion mix and include advertising, personal selling, sales promotion, and publicity/public relation (*Belch & Belch, 1990*).However, (Kotler P. , 2003) adds another promotional mix elements i.e. direct marketing. Therefore promotion mix is a combination of advertising, personal selling, sales promotion, publicity and direct marketing.

### **2.7.1. Advertising**

Advertising is any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor. Advertisers include not only business firms but also museums, charitable organizations, and government agencies that direct messages to target publics. Advertising are a cost-effective way to disseminate messages, whether to build brand preference or to educate people (*Kotler., 2000*).

It is any paid form of non-personal promotion of ideas or product by an identified sponsor. Advertising can reach masses of geographically dispersed buyers at a low price per exposure. Because of its nature, consumers tend to view advertised products as more legitimate. A disadvantage is that it is impersonal and not directly persuasive (*Kotler & Armstrong, 1990*).



From the above definition the following point can emerge:

- Advertising is a paid form and hence commercial in nature thus any sponsored communication designed to influence buyer's behavior is advertising because advertisers pay for it.
- Advertising is non-personal unlike personal selling. Advertising is done in a non-personal manner through intermediary or media.
- Advertisement complements or may substitute for personal selling. It supplements the voice and personality of the individual sales man.
- Advertising promotion ideas, goods and services it is being used increasing to further public interest goals.
- Advertiser is identifiable with its sponsoring authority or advertiser it discloses or identified the source of opinions and ideal it presents.

#### **2.7.1.1.Evaluating Advertising Effectiveness**

Good planning and control of advertising depend on measures of advertising effectiveness. Yet the amount of fundamental research on advertising effectiveness is appallingly small. Advertisers should try to measure the communication effect of advertising that is, its potential effect on awareness, knowledge, or preference as well as the advertising sales effect:

- **Communication-effect** research seeks to determine whether advertising is communicating effectively. Called copy testing, it can be done before advertising is placed (pre-testing) and after it is placed (post-testing). Advertisers also need to posttest the overall impact of a completed campaign.
- **Sales-effect research** is complex because sales are influenced by many factors beyond advertising, such as product features, price, and availability, as well as competitors' actions. The sales impact is easiest to measure in direct-marketing situations and hardest to measure in brand or corporate image-building advertising (*Kotler P. , 2003*).

## **2.7.2. Personal Selling**

Personal selling is a form of person -to- person communication in which a seller attempts to assist and/or persuade prospective buyers to purchase the company's product or service or act upon an idea. Unlike advertising, personal selling involves direct contact between the buyer and seller, either face -to face or through some form of telecommunication such as telephone sales (*Belch & Belch, 1990*).

Personal Selling: Personal presentation by the firm's sales force for the purpose of making sales and building customer relationships. All allows all kinds of customer relationships to spring up. However, it needs long-term commitment (*Kotler & Armstrong, 1990*). To sum up Personal Selling is the interpersonal arm of the promotion mix. It involves two-way personal communication between salespeople and individuals. The sales force serves as a critical link between a company and its customer. They do two things: they represent the company to customers and also represent customers to the company. Personal selling brings humanness to selling. Sales representatives do what advertisements do: inform, persuade or remind. However, they do it in person and can thus give your company a distinct personality.

### **2.7.2.1.Determining the Role of Personal Selling**

One of the first questions that the managers will need to ask when preparing the promotional message is, what will the specific responsibility of personal selling be ,and what role will it assume relative to the other promotional mix elements? To determine what this role should, management should be guided by four specific questions.

1. What specific information must be exchanging between the firm and potential customers? (Determining the information to be exchanged).
2. What are the alternative ways of carrying out the communication objectives? (Examining promotional mix alternatives).
3. How effective is each alternative in carrying out the needed exchange? (Evaluating the relative effectiveness of alternatives).

4. What is the cost-effectiveness of each alternative? (Determining cost- effectiveness) (*Kotler P. , 2003*).

#### **2.7.2.2.Importance of personal selling**

Personal Selling could the following advantages; i.e. in personal selling there is a two-way interaction and tailoring of the message. During the activities, there is no distraction since it is face-to-face communication and there is also an involvement in the decision-making as a result sales could be granted. Having the above importance, messages that are conveyed in personal selling could be inconsistent; conflict may arise while managing the sales force, the cost committed is very high and it involves poor reach (*Belch & Belch, 1990*).

To conclude personal selling is the most effective form of promotion because it allows your approach to be tailored to the needs of an individual customer. Getting a sale is ultimately extremely important, but the process involves a lot more than this. It is about having a constructive dialogue with customers to listen to their needs, promote product & company benefits on an individual basis, answer any questions, resolve any problems and get their feedback before clinching a sale.

#### **2.7.3. Sales Promotion**

Sales promotion is often define as those marketing activities that provide extra value or incentive for purchasing a product and that can stimulate immediate sales from consumers or dealers (*Belch & Belch, 1990*).

Sales promotion includes tools for consumer promotion (samples, coupons, cash refund offers, prices off, premiums, prizes, patronage rewards, free trials, warranties, tie-in promotions, cross-promotions, point-of-purchase displays, and demonstrations);trade promotion (prices off, advertising and display allowances, and free goods), and business and sales force promotion (trade shows and conventions, contests for sales representation, and specialty advertising) (*Kotler & Keller, 2006*). A major reason why companies use sales promotion is that they can provide the marketing intermediaries with an extra incentive to stock and promote their brands and encourage consumers to buy them and thus can be stimulating short term sales. Many firms are reluctant to

make sales promotions the sole basis of their promotional strategy because the sales gains resulting from these programs are often temporary, ending when the promotional period is over (*Belch & Belch, 1990*).

Therefore, one can understand that Sales promotion is essential an acceleration tool, designed to speed up the selling process and maximize sales volume. By providing extra incentives, sales promotion techniques can motivate consumers to purchase a large quantity of a brand or shorten the purchase cycle of the trade or consumers by encouraging them to take more immediate action. Sales promotion attempts to maximize sales volume by motivating customers who have not responded to advertising.

### **2.7.3.1. Major Decisions in Sales Promotion**

In using sales promotion, a company must establish its objectives, select the tools, develop the program, pretest the program, implement and control it, and evaluate the results.

- Establishing objectives

Sales-promotion objectives are derived from broader promotion objectives, which are derived from more basic marketing objectives that are developed for the product. The specific objectives for sales promotion vary with the target market.

- Selecting consumer promotion tools
- Selecting trade promotion tools
- Selecting business and sales force promotion tools
- Developing the program
- Pretesting the program
- Implementing and evaluating the program

Sales promotion is best described as a specific, usually short-term, promotion that is over and above what you would normally provide to the customer.

#### **2.7.4. Public Relations and Publicity**

Publicity is non-personal stimulation of demand for a product, service, or business unit by planting commercial significant news about it in published medium or obtained favorable presentation of it upon radio, television, or stage that is not paid for by the sponsor (*Kotler, 1984*). Publicity refers to non-personal communication regarding an organization, product, service, or idea that is not directly paid for nor run under identified sponsorship, usually coming in the form of a news story, editorial, or announcement about an organization and /or its products and service (*Belch & Belch, 1990*).

Publicity at no charge (most of the time) Part of public relations, a broad set of communication activities used to create and maintain favorable relations between the organization and its publics:

- Customers
- Employees
- Stockholders
- Government Officials
- Society in general

The wise company takes concrete steps to manage successful relations with its key publics. Public Relation departments typically perform five functions:

- 1) Press relations (presenting news and information about the organization in the most positive light);
- 2) Product publicity (publicizing specific products);
- 3) Corporate communication (promoting understanding of the organization through internal and external communications);
- 4) Lobbying (dealing with legislators and government officials to promote or defeat legislation and regulation); and
- 5) Counseling (advising the management about public issues, company position, image, and also advising during in the event of a mishap).

From this definition we can conclude that Public Relations can have strong impact on public awareness at a much lower cost than advertising. Although Public Relation still captures only a small portion of overall marketing budget, it is increasingly playing an important role in brand building.

Promotions are activities you generally have to pay for, while Public Relations is something that is supposed to happen for little or no cost. Public Relations generally involve bringing about a change in attitude or awareness of an organization, with any resulting Publicity as the outcome. Raising the Profile of an organization is a Public Relations function. Public Relations involve many practices and techniques used to build rapport and understanding with an organization's target audiences. In its broadest sense, it is the interface between groups in society (*Papasolomou, Thrassou, & Vrontis, 2014*).

#### **2.7.4.1. Major Tools in Marketing Public Relation and Publicity**

**Publications:** Companies rely extensively on published materials to reach and influence target markets, including annual reports, brochures, articles, printed and on-line newsletters and magazines, and audiovisual materials.

**Events:** Companies can draw attention to new products or other company activities by arranging special events like news conferences, on-line chats, seminars, exhibits, contests and competitions, and sport and cultural sponsorships that will reach the target publics.

**News:** One of the major tasks of Public Relation professionals is to find or create favorable news about the company, its products, and its people. The next step getting the media to accept press releases and attend press conferences calls for marketing and interpersonal skills.

**Speeches:** Speeches are another tool for creating product and company publicity and building the company's image.

**Public-Service Activities:** Companies can build goodwill by contributing money and time to good causes.

**Identity Media:** To attract attention and spark recognition, the firm's visual identity is carried by its logos, stationery, brochures, signs, business forms, business cards, Web site, buildings, uniforms, and dress codes.

Implementing and evaluating the plan. Public Relation implementation must be handled with care. A great story is easy to place, but other stories might not get past busy editors (*Kotler P. , 2000*).

#### **2.7.4.2.Importance of Public Relations and Publicity**

An advantage of publicity over other forms of promotion is its credibility. Consumers generally tend to be less skeptical toward favorable information about a product or service when it comes from a source they perceive as unbiased. For example, the success (or failure) of a new movie is often determined by the reviews it receives from film critics, who are viewed by many moviegoers as objective evaluators.

Another advantage of publicity is its low cost, since the company is not paying foretime or space in a mass medium such as TV, radio, or newspapers. While an organization may incur some costs in developing publicity items or maintaining a staff to do so, these expenses will be far less than those for the other promotional programs. Publicity is not always under the control of an organization and is sometimes unfavorable. Negative stories about a company and/or its products can be very damaging (*George & Michael, 2003*).

Perhaps the major disadvantage of using public relation is the potential for not completing the communication and public relation may misfire is through mismanagement and lack of coordination with marketing department (*Belch & Belch, 1990*).Therefore, publicity is something that happens to a company and the result may be good or bad. Public relations involve a sustained attempt to develop your reputation as a business by using the media to help create the image you desire. It is a way of keeping the business in your customers Eyes.

#### **2.7.5. Direct Marketing**

Direct connections with carefully targeted individual consumers to obtain immediate response and cultivate lasting customer relations through the use of mail, telephone, fax, internet etc. Direct Marketing is immediate, nonpublic, customized and interactive (*Kotler & Armstrong, 1990*).

Many companies are adopting direct marketing. Direct marketing consists of direct connections with targeted individual consumers to obtain immediate response and cultivate lasting customer

relationships. There are many benefits of direct marketing to both buyers and sellers. Buyers can, from the comfort of their homes, browse websites at any time and access a wealth of information. For sellers, direct marketing is a powerful tool for building customer relations. These can be done using database marketing. Direct marketing also offers sellers a low-cost alternative for reaching markets. As a result, direct marketing has become the fastest growing form of marketing.

The aim of direct marketing is to create one to one relationship with the organization target market. Direct marketing can come in the form of post, email, telephone calls and mail order. The company usually contacts a named person at the address.

To sum up direct marketing is an increasingly popular technique as it enables you to target specific customer groups very accurately. It is a flexible way to deliver your message and, because each letter can be personalized, the chances of a response are greatly improved. The overall success of a campaign can also be directly measured in terms of the number of responses received.

#### **2.7.5.1.Importance of Direct Marketing**

Market demassification has resulted in an ever-increasing number of market niches. Consumers short of time and tired of traffic and parking headaches appreciate toll-free phone numbers, always-open Web sites, next-day delivery, and direct marketers' commitment to customer service. In addition, many chain stores have dropped slower-moving specialty items, creating an opportunity for direct marketers to promote these to interested buyers instead.

Sellers benefit from demassification as well. Direct marketers can buy a mailing list containing the names of almost any group: left-handed people, overweight people, and millionaires. They can customize and personalize messages and build a continuous relationship with each customer. New parents will receive periodic mailings describing new clothes, toys, and other goods as their child grows.

Direct marketing can reach prospects at the moment they want a solicitation and therefore be noticed by more highly interested prospects. It lets marketers test alternative media and messages to find the most cost-effective approach. Direct marketing also makes the direct marketer's offer and strategy less visible to competitors. Finally, direct marketers can measure responses to their



campaigns to decide which have been the most profitable. (*Kotler & Keller, Marketing Management, 14th ed, 2012*).

### **2.7.5.2.Negative Aspect of Direct Marketing**

Direct marketers and their customers usually enjoy mutually rewarding relationships. Occasionally, however, a darker side emerges:

- **Irritation:** - Many people do not like hard sell, direct marketing solicitations.
- **Unfairness:** - Some direct marketers take advantage of impulsive or less sophisticated buyers or prey on the vulnerable, especially the elderly.
- **Deception and Fraud:** -Some direct marketers design mailers and write copy intended to mislead or exaggerate product size, performance claims, or the “retail price.”
- **Invasion of privacy.** It seems that almost every time consumers order products by mail or telephone, apply for a credit card, or take out a magazine subscription, their names, addresses, and purchasing behavior may be added to several company databases. Critics worry that marketers may know too much about consumers’ lives, and that they may use this knowledge to take unfair advantage.

People in the direct marketing industry know that, left unattended, such problems will lead to increasingly negative consumer attitudes, lower response rates, and calls for greater state and federal regulation. Most direct marketers want the same thing consumers want: honest and well-designed marketing offers targeted only to those who appreciate hearing about them.

## 2.8. Empirical Review

Selected literature reviews on Marketing Strategies in Banking Sectors

*Table 2.1 Summary of Different Journals*

Authors	Topic and Content	Conclusion
<i>(Udel, 1968)</i>	Successful Marketing Strategies in American Industries	Identified Marketing Promotions as the most important facet of marketing strategy leading to effectiveness. Advertising, an aspect of promotional strategy, plays both an informative and persuasive role, and in this respect can alter customers' perceptions of a service.
<i>(Subba, 1982)</i>	Commercial banks and deposit mobilization	Conducted a study to find out the influence of different media of advertisement and different forms of personal selling on the deposit mobilization of commercial banks both in urban and rural areas. The study suggested that the medium of English Newspapers need not be used widely as its impact is very little on urban customers and it is almost negligible on rural depositors. Personal selling or direct contact has been suggested as the best method, since it educates the potential rural customers into the bargain.

<p>(Mehta, 2001)</p>	<p>Personal Selling- a Strategy for Promoting Bank Marketing</p>	<p>In his study, examined the lack of marketing in banks. He suggested banks to adopt marketing promotional strategy for better business. He preferred personal selling as a strategy for marketing promotion in banks.</p>
<p>(Duncan, 1985)</p>	<p>A Study of How Manufacturers and Service Companies Perceive and Use Marketing Public Relations</p>	<p>Suggested that the services sector industries have to think besides advertising, about other promotional tools like public relations and publicity.</p>
<p>(Chidambram, 1994)</p>	<p>International Journal of Bank Marketing, 'Promotional Mix for Bank Marketing'</p>	<p>Studied the promotional mix available to bankers for the marketing of services such as direct marketing, public relations, social banking and customer meets. The study concludes that a good promotional mix is one that a) that takes into account the objectives of the bank and lays emphasis on those services which are of current significance, b) reaches various customer segments very effectively, c) creates a desire to seek out the services offered, d) builds a positive image for the bank, and e) strike a balance between cost and effectiveness.</p>
<p>(Prince, 1981)</p>	<p>Increasing Television</p>	<p>Observed television is probably one of the</p>

	Support for the Financial Sector'	most popular means of advertising although it is the most expensive. It is the medium of the masses and combines the attention-getting attributes of sound, picture, color and movement. Therefore, it offers the opportunity to show a financial service and demonstrate it in actual use. It has also repeatedly proved its capacity to stimulate a quick response.
(Crane, 1990)	'The need for Corporate Advertising in the Financial Services Industry: a Case Study Illustration'. Journal of Services Marketing	Using a case study analysis, found that corporate advertising should be an integral component of the marketing communications program of a financial services institution and recommends that managers need to pay more attention to successfully integrate corporate advertising integrated with product advertising.
(Evren, 2003)	In his article "The Role of Advertising in Commercial Banking" examined the role of advertising in commercial banking.	He found that advertising plays a pro-competitive role in banking. An increase in advertising appears to lead to an increase in profitability. According to him minority-owned banks advertise less, possibly because they have a captive clientele whereas efficient banks advertise less.
(Rajasekhara, 2008)	In his article "Assessment	Evaluates the effectiveness of advertising

	<p>of Effectiveness of Marketing communications mix elements in Ethiopian Service Sector” stated that creative effective communication with customers is most important aspect in services marketing.</p>	<p>and personal selling practices of Ethiopian service sector in communicating with its customers with the aim of finding solutions to improve the existing communication and customer satisfaction. He found that marketing communication mix elements viz. Advertising and personal selling are moderately effective in providing information, creating awareness and changing attitude whereas ineffective in building company image and enforcing brand loyalty.</p>
<p>(Gupta &amp; Mittal, 2008)</p>	<p>In their article” Comparative Study of Promotional Strategies of Public and Private Sectors Banks in India “stated that a well -designed promotional strategy is very important to promote banking services effectively</p>	<p>They studied that the promotional strategies of private and public sector banks are almost similar. Both types of banks take the help of almost all type of media to promote their services. The major difference in the promotional strategies adopted by banks is in the two techniques of the promotion and they are "Personal Selling" and "Direct Marketing". The difference is that public sector banks do not adopt the strategies of promotion as personal selling and direct marketing; on the other hand the same are adopted by private sector banks.</p>
<p>(Kristina, H., 2006)</p>	<p>Journal of Financial Services Marketing, “A Conceptual Framework of online Banking Services”</p>	<p>Promotional packages are very important for financial service industry. Thus the orientation of banks should be with a much</p>

		wider focus in relation to customer and market needs, and the consequent marketing strategies. The challenges put forth by the changing environment have to be effectively tackled to identify the consumer needs and providing valuable services through product innovation.
<i>(Channon, 1985)</i>	Bank Strategic Management and Marketing	Personal selling has traditionally been the principal communicable channel in the banking industry, although until recently the concept of selling financial services was very poorly developed. Nevertheless the branch delivery system and the branch manager in particular were seen as the key to client interface
<i>(Kotler &amp; Armstrong, 2005)</i>	Marketing Management	Sales promotion consists of short-term incentives to encourage purchase or sales of a product or service. Used in conjunction with advertising or personal selling, sales promotions are offered to intermediaries as well as to ultimate consumers.

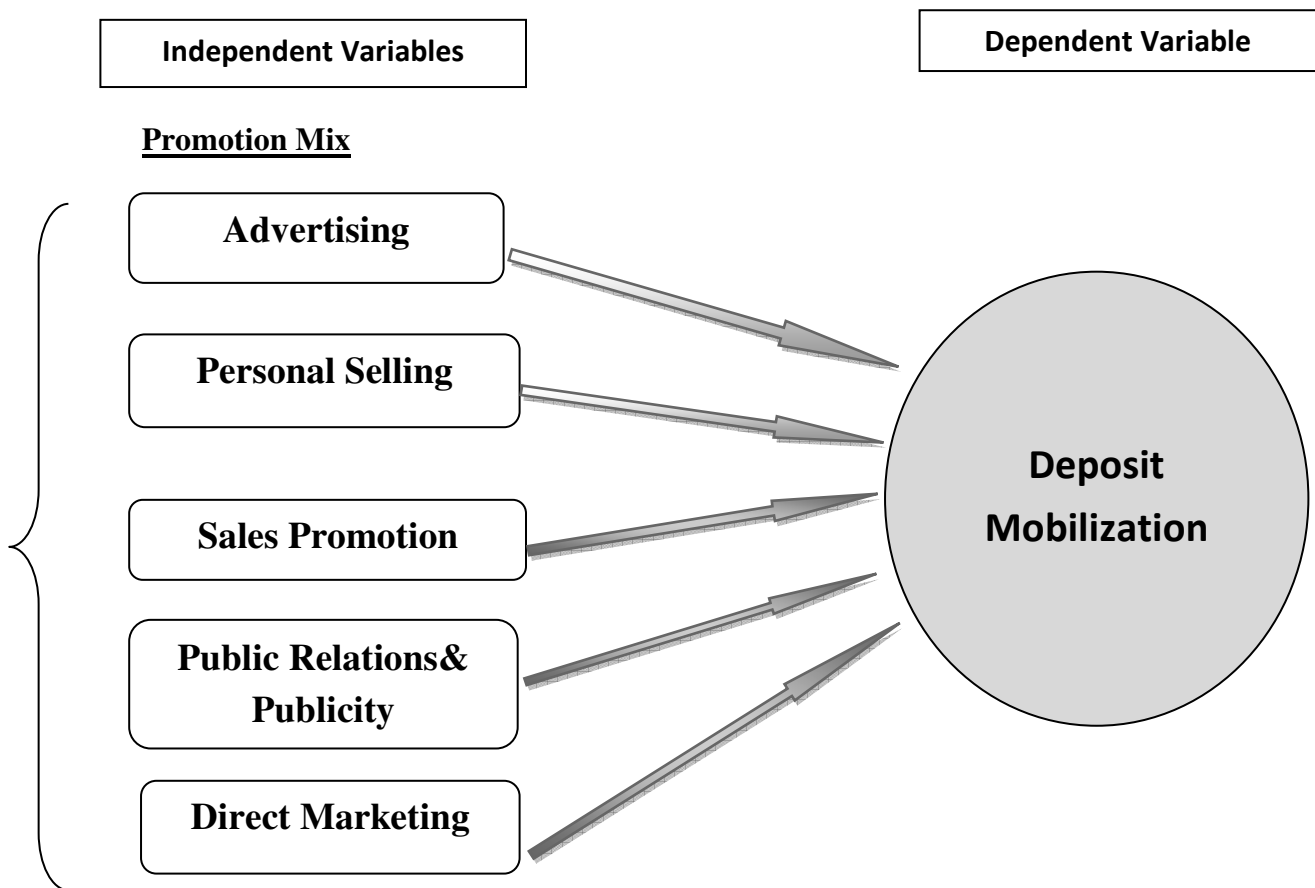
<p>(Kotler &amp; Keller, <i>Marketing Management</i>, 2006)</p>	<p>Marketing Management</p>	<p>Sales promotion could be most effective when it will be used together with advertisement. For example: Found in one study, “a price promotion alone produced only a 15 percent increase in sales volume. When combined with feature advertising, sales volume increased 19 percent; when combined with feature advertising and a point-of-purchase display, sales volume increased 24 percent”</p>
<p>(Grankvist, Kollberg, &amp; Persson, 2004)</p>	<p>Promotion Strategies for Banking Services : Case study of Nordea</p>	<p>The study observed that Promotional strategies for banking services in Estonia uses all parts of the promotion mix to some extent for promotion of banking services. The study recommended that managers who wish to conduct promotion in Estonia should focus on personal selling, since it is the most important tool and involves establishment of relationships with individual customers.</p>

Source: (Manisha, 2012) and Various Sources

## 2.9. Conceptual Framework

The conceptual framework of this study is developed from the literatures review that was presented earlier in this chapter.

*Figure 2.1 Conceptual Framework of Dependent and Independent Variables*



*Source: Adopted From (Farshad Maghanti, 2012)*



# CHAPTER THREE

## III. RESEARCH METHODOLOGY

### 3.1. Introduction

In this chapter the research design, approaches to research, description of the study area, research instruments, source of data, data collection methods, sampling issues (target population, sampling techniques and sample size), unit of analysis, development of the instrument, pilot test, data analysis tools and validity and reliability issues are discussed in detail.

### 3.2. Research Approach and Design

This study follows a case study design. According to *(Thomas, 2011)*, a case study analyses persons, events, decisions, periods, projects, policies, institutions, or other systems that are studied holistically by one or more methods. A case study is also an in depth study of a particular situation rather than a sweeping statistical survey. It narrows down a very broad field of research into one easily researchable topic *(Shuttleworth, 2008)*. A case study is suitable because of its in-depth approach.

The research design is a descriptive research type as the objective undertaking the research is to determine the effect of promotion strategies on deposit mobilization. Descriptive research involves field survey where the researcher goes to the population of interest ask certain questions about the issue under the study. Descriptive research aims to gather data without any manipulation of the research context and deals with naturally occurring phenomena where the researcher has got no control over the variables *(Mugenda & Mugenda, 1999)*. The purpose of this research is to determine the effects of promotion strategies on CBE deposit mobilization considering Advertising, Personal Selling, Sales Promotion, Public Relations and Publicity and Direct Marketing as independent variables and Deposit Mobilization as dependent variable.

The research used both qualitative and quantitative approaches. While measuring correlation of items and each dimension's impact upon deposit mobilization of CBE, the researcher used quantitative measures using the developed instrument. However, on the stage of developing the instrument and related activities the researcher tried to focus on simplicity and clarity.

### **3.3. Data Type and Source**

#### **3.3.1. Data Type**

This research paper is a case study which was conducted on Effects of Promotion Strategies on Deposit Mobilization of Commercial Bank of Ethiopia, hence given the nature of the research topic both qualitative and quantitative data were used.

#### **3.3.2. Data Source**

The research used primary and secondary data sources. The primary source of data is collected using structured questionnaire. To substantiate and or to see how the findings from the primary data analysis could relate to the data collected, secondary data was also used. The data was obtained from the CBE – Management Information System and HR-Transaction Sub-Processes. The nine years Audited Financial Statements of CBE, .i.e. from 2007/2008 up to 2015/2016 F.Y. were also used. The 2016/2017 F.Y. data was obtained from the Corporate Annual Performance Report of CBE.

The Secondary data are best known for doing research using pre-existing statistical data(Heaton, 2004). It is a research strategy using pre-existing quantitative or qualitative research data for the reasons of investigating new questions or verifying previous studies (Heaton, 2004).

### **3.4. Target Population and Sample Design**

#### **3.4.1. Target Population**

Participants of this research were the employees and the account holders of CBE who are found in Addis Ababa. Though CBE has employees and account holders out of the city of Addis Ababa, because of time constraint and inconvenience the researcher was forced to be confined in Addis Ababa.

### 3.4.2. Sample Size Determination

The target population of the research will be limited to the employees of CBE and customers that are found in Addis Ababa. The data at the end of 2016/2017 F.Y. as reported by CBE HR – Transaction Sub-process, there were 11,236 employees in Addis Ababa and as per the report obtained from CBE- MIS Sub- process as at June 30, 2017, the number of account holders in Addis Ababa were 5,676,851.

Applying the Slovin's formula as it was recommended by (*Ghozali, 2006*) for such studies that the sample size can be computed as follows:

$$n = N / 1 + (N \times e^2)$$

Where;

n = Sample size

N= population size

e = margin of error being 0.05(*Rediat, 2015*)

$$\begin{aligned} \text{Sample Size of Employees} &= \text{Total number of Employees} / 1 + (\text{Total number of Employees} * (0.05)^2) \\ &= 11,236 / 1 + (11,236 * (0.05)^2) \\ &= 11,236 / 29.09 \\ &= 386.24 \approx 386 \end{aligned}$$

$$\begin{aligned} \text{Sample Size of Customers} &= \text{Total number of Customers} / 1 + (\text{Total number of Customers} * (0.05)^2) \\ &= 5,676,851 / 1 + (5,676,851 * (0.05)^2) \\ &= 5,676,851 / 14,193.12 \\ &= 399.97 \approx 400 \end{aligned}$$

### 3.4.3. Sampling Selection Procedure

The employees and customers sample size as calculated in the above section was 386 and 400 respectively. To obtain the sample members of the employees, the Probability sampling technique .i.e. Systematic Simple Random Sampling was used to generate random members table for the employees of CBE.

For the employees, to determine the sample members in the generated random table, having population size N, using a sample size of n, the sampling interval k was computed as follows:

$$k = N/n;$$

Where : k= Sampling Interval

N = Total Population of Employees ; n = Computed Sample size of employees

$$K = 11,236/386 \quad k \approx 29$$

The employees sample members were selected at every 29<sup>th</sup> interval until the total sample size reached 386. This sampling technique involves both random and non-random sampling technique. As shown in the above section, first the interval “k” is calculated and then additional elements were selected from the population at a fixed interval of “k” from the list of Addis Ababa employees’ data that were obtained from HR - Transaction Sub-Process of CBE reported as at June 30, 2017.

*Please see Appendix II, the random number generated table of employees sample members.*

Adopted from: (Kassahun, 2016)

Due to the huge number of account holders and the difficulty to manage and use the data of customers, and considering the respondents could be more or less homogenous, convenience sampling technique was applied to determine the sample members of customers. Convenience sampling is a non-probability or non-random sampling technique where one selects a sample from the population in a manner that is convenient because of readily availability, nearness and/or willingness to participate.

### **3.5. Data Collection Methods and Tools**

To collect valid and reliable data for this research, the researcher used the following research instrument. Apart from the demographic and general questions, the questionnaire with a 39 attributes were prepared using Likert type Scale format on five dimensions with 5-point scales ranging from 1 - (strongly disagree) to 5 - (strongly agree) were distributed to the sample members of employees and customers. All items were favorably worded (Best & Khan, 1995).

*Table 3.1 Research Dimensions and their Measuring Number of Items*

<b>Dimensions</b>	<b>Source</b>	<b>Number of Items</b>
<b>Advertising</b>	(Alsharif, Qwader, & Al-Selhat, 2017)	9 - Items were used to measure the variable
<b>Personal Selling</b>	(Yoseph, 2012)	6 - Items were used to measure the variable
<b>Sales Promotion</b>	(Mittal & Pachauri, 2013)	7 - Items were used to measure the variable
<b>Public Relations and Publicity</b>	(Alsharif, Qwader, & Al-Selhat, 2017)	5 - Items were used to measure the variable
<b>Direct Marketing</b>	(Yoseph, 2012)& (Mittal & Pachauri, 2013)	5 - Items were used to measure the variable
<b>Deposit Mobilization</b>	(Ketema, 2017)	7 - Items were used to measure the variable

The questionnaires were delivered in person by volunteer representatives in each sample Branch and in the two Head Office organs, who are the staff members of the branches and H.O. respectively and were duly collected back without fail. The questionnaires were distributed to customers in order to know how responsive the customers are to the various promotional tools that are used by CBE and to understand the impact on their behavior and from the employees perspective it was to understand how much they understand and are responsive to the whole scenario.

### **3.6. Data Processing and Analysis**

Data analysis is the process of evaluating data using analytical and logical reasoning to examine each component of the data provided. It is also the process of inspecting, cleaning, transforming, and modeling data with the goal of discovering useful information, suggesting conclusions, and supporting decision-making. For the case study, qualitative and quantitative content analysis will be used.

Once the data were collected it was coded and then entered in to the SPSS (Statistical Package for Social Sciences) version 20 to compute and analyze the data. The statistical tests that are used in the analysis of data included reliability (Cronbach's alpha), validity, descriptive statistics (compare two means), frequencies (using tables, percentages, and graphs), correlation, normality of data, testing of multicollinearity and further continuing regression analysis were conducted.

### **3.6.1. Descriptive Analysis**

Descriptive analysis such as frequencies (using tables, percentages, and graphs), Percentages, means and standard deviation were used to summarize and present the results. In addition, Pearson correlation Coefficients were used to show the interdependence and the significance of the relationship between the dependent and independent variables. According to (Brooks., 2008), the relationship is expressed by value within the range -1.00 to + 1.00 as Pearson product-moment indicates. Pearson correlation is +1 in the case of a perfect positive linear relationship (correlation) and -1 indicating the existence of Perfect negative linear relationship (correlation).

### **3.6.2. Inferential Analysis**

According to (*Sekaran & Bougie, 2010*) inferential statistics allows to infer from the data through analysis the relationship between two or more variables and how several independent variables might explain the variance in a dependent variable. With regard to inferential statistics which were run in this research are as follows:

### **3.6.3. Multiple Regressions**

Multiple Regressions is a statistical technique that allows us to predict someone's score on one variable on the basis of their scores on several other variables. In this study standard multiple regression analysis was employed. In standard multiple regression all the independent (promotion mix elements) variables are entered into the equation simultaneously. Each independent variable was evaluated in terms of its predictive power, over and above that offered by all the other independent variables. Like correlations, statistical regression examines the association or relationship between variables. Unlike correlations, however, the primary purpose of regression is prediction (Geoffrey, 2005).

### **Model specification**

The equation of regressions on this study is generally built around two sets of variables, namely dependent variable (Deposit Mobilized) and independent variables (Advertising, Personal Selling, Sales Promotion, Public Relations and Publicity, and Direct Marketing). The basic objective of using regression equation on this study was to make the study more effective at describing, understanding and predicting the stated variables.

The regression equation is presented as follows:

$$Y = \alpha_1 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon$$

Where:

Y = Deposit Mobilized of CBE

X1 = Advertising

X2= Personal Selling

X3 = Sales Promotion

X4 = Public Relations and Publicity

X5 = Direct marketing

$\alpha_1$  = The Intercept term-constant which would be equal to the mean if all slope coefficients are 0.

$\varepsilon$  = Error

$\beta_1, \beta_2, \beta_3, \beta_4$  and  $\beta_5$  are the coefficients associated with the average amount the dependent Variable increase when the independent variable increases by one standard deviation.

### **3.7. Pilot Testing**

Researchers strongly recommend pilot testing of the instrument. A total sample of 30 comprised of employees and customers were communicated for the pilot testing to validate the instrument. During the pilot testing, the respondents did not find difficulty in answering the questions except for some minor inquiries for clarity. Therefore, the researcher took a note for assigning a voluntarily responsible staff for any assistance that may arise.

**Table 3.2 Reliability Result for Pilot Testing**

<b>Dimensions</b>	<b>Number of attributes</b>	<b>Cronbach's alpha</b>
Advertising	9	0.871
Personal Selling	6	0.930
Sales Promotion	7	0.932
Public Relations& Publicity	5	0.936
Direct Marketing	5	0.792
Deposit Mobilization	7	0.958

Source: Computation from Survey Data (2018)

### **3.8. Ethical Standards and Procedures**

Research ethics as a branch of applied ethics has well established rules and guidelines that define their conduct. Research ethics is important in our daily life research endeavors and requires that researchers should protect the dignity of their subjects and publish well the information that is researched (*Fouka & Mantzorou, 2011*) as cited by (*Stephen and Bretta, 2016*). To reach the respondents the student researcher has provided formal letter to the sample Branches to distribute questionnaires to the account holders and employees of the branches. The respondents were given the privilege of not writing their names and no respondent was forced to fill the questionnaire unwillingly and without making the actual purpose of carrying out the research clear to him/her. Moreover, data collected from the respondents were used for academic research purpose only and cannot be revealed to the other third party. Moreover, the data and or information obtained from CBE were utilized under strict confidentiality.



## CHAPTER FOUR

### IV. DATA ANALYSIS AND PRESENTATION

#### 4.1. Introduction

This chapter describes the analysis and interpretation of the data collected. Out of the 786 distributed questionnaires, 386 were for staff members of CBE and 400 were for account holders of Commercial bank of Ethiopia. All the 786 distributed questionnaires were collected and handed over by the voluntarily assigned staff. The data was analyzed using SPSS version 20.

#### 4.2. Respondents Profile

To find out general background of respondents who were asked about to assess the Effect of promotion strategies on deposit mobilization of Commercial Bank of Ethiopia, the respondents were asked their Gender, Age, marital status, educational level, and monthly income. The results obtained from the structured questionnaires are represented on the table below.

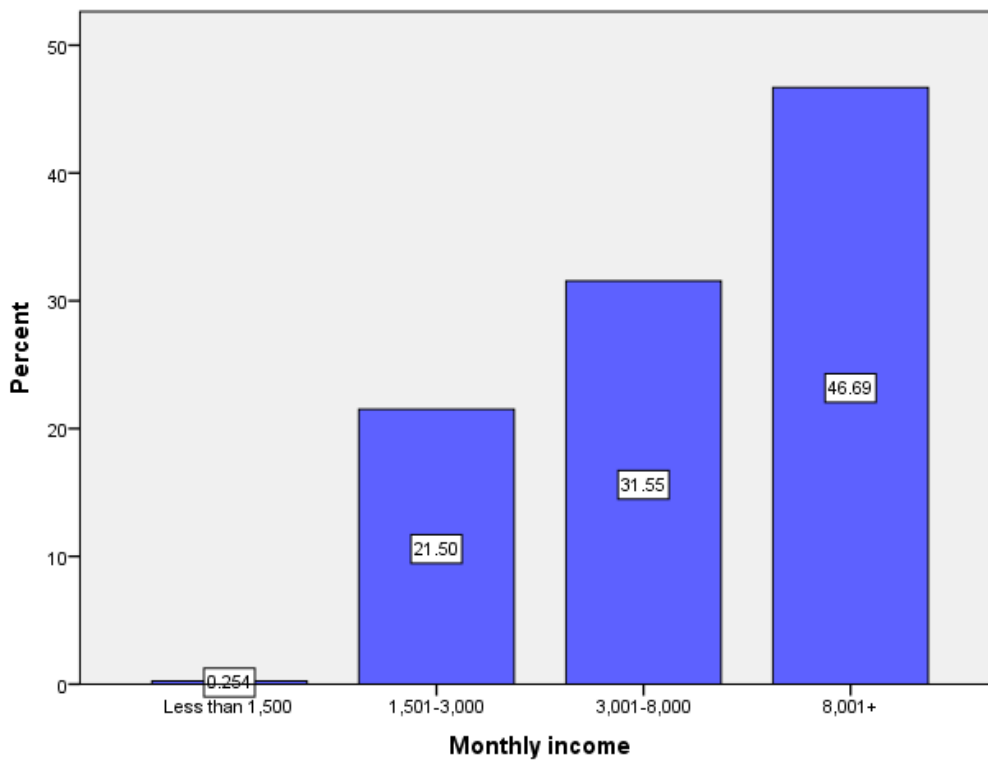
*Table 4.1 Characteristics of Respondents*

Particulars		Frequency	Percent	Valid Percent	Cumulative Percent
Age	18-35	562	71.5	71.5	71.5
	36-54	216	27.5	27.5	99.0
	55 and above	8	1.0	1.0	100.0
Gender	Female	326	41.5	41.5	41.5
	Male	460	58.5	58.5	100.0
Marital Status	Single	396	50.4	50.4	50.4
	Married	355	45.2	45.2	95.5
	Widowed	12	1.5	1.5	97.1
	Separated	23	2.9	2.9	100.0
Educational level	9-12 Grade	37	4.7	4.7	4.7
	TVET graduate	18	2.3	2.3	7.0
	College Diploma	29	3.7	3.7	10.7
	Degree	636	80.9	80.9	91.6
	Above Degree	66	8.4	8.4	100.0
	Total	786	100.0	100.0	

*Source: Survey 2018*

From the 786 respondents 562(71.5%) of the respondents were in the age group between 18 up to 35, 216(27.5%) of the respondents their age group in between 36 to 54 and only one percent of the respondents were in the age group of above 55 years of age. From gender side 326(41.5%) were females and 460(58.5%) of the respondents were male. Regarding marital status of the respondents 396(50.4%) respondents were single, 355(45.2%) respondents were married and 12(1.5%) were widowed and 23(2.9%) were separated. Regarding educational level, most of the respondents 636(80.9%) were degree holders, 66(8.4%) were above degree,37(4.7%) were in secondary school from grade 9 to 12 grade, 18(2.3%) were TVET graduate and 29 (3.7%) were college diploma holders.

**Figure 4.1 Monthly Income of the Respondents**



**Source: Survey 2018**

From the Figure 4.1 shows 46.69 percent of the respondents earn a monthly income above 8000 birr, 31.55 % of the respondents earn monthly income that ranges between 3001 to 8000 birr, 21.50 % of the respondents earn a monthly income that ranges between 1501 to 3000birr, and only 0.25% of the respondents earn a monthly income below birr 1,500.

### 4.3. Reliability and Validity test

As stated by “(Hair et al..., 2003)reliability indicates the extent to which some variables or set of variables is consistent in what it is intended to measure”. Reliability analysis is used to measure the consistency of a questionnaire. There are different methods of reliability test, for this study, Cronbach’s alpha is considered to be suitable. For this study the Alpha coefficients for the effect of promotion strategies on deposit mobilization and for Deposit Mobilization was calculated as reliability indicator is presented in the following table. As described by (Hair et al..., 2003)the values of Cronbach’s alpha more than 0.7 is good. The alpha values in this study were greater than 0.7 and therefore the reliability of the questionnaires is very good.

**Table 4.2 Result of Reliability Analysis for the Questionnaires**

Dimensions	Number of attribute	Cronbach’s alpha
Advertising	9	0.821
Personal Selling	6	0.864
Sales Promotion	7	0.783
Public Relations	5	0.751
Direct Marketing	5	0.856
Deposit mobilization	7	0.704

*Source: Computation from Survey Data (2018)*

### 4.4. Promotion Strategies of CBE

#### 4.4.1. Promotion and Deposit Mobilization in CBE

In this section, the trend of promotion and deposit mobilization in Commercial Bank of Ethiopia will be discussed. The promotion strategies of CBE are advertising, personal selling, sales promotions, public relations and publicity, and direct marketing.

The other data source as discussed in Chapter 3 was secondary data obtained from the annual audited financial reports of CBE from 2008 up to 2016, and from MIS Sub-Process and from the Annual Corporate Performance Report for the2016/2017 Fiscal Year.

The researcher has gone through financial reports of CBE from 2008 up to 2017 and has observed that on the financial statements, under General Expense, there is an account called “Advertising and Publicity” so all promotion related expenses are squeezed and debited to this account.

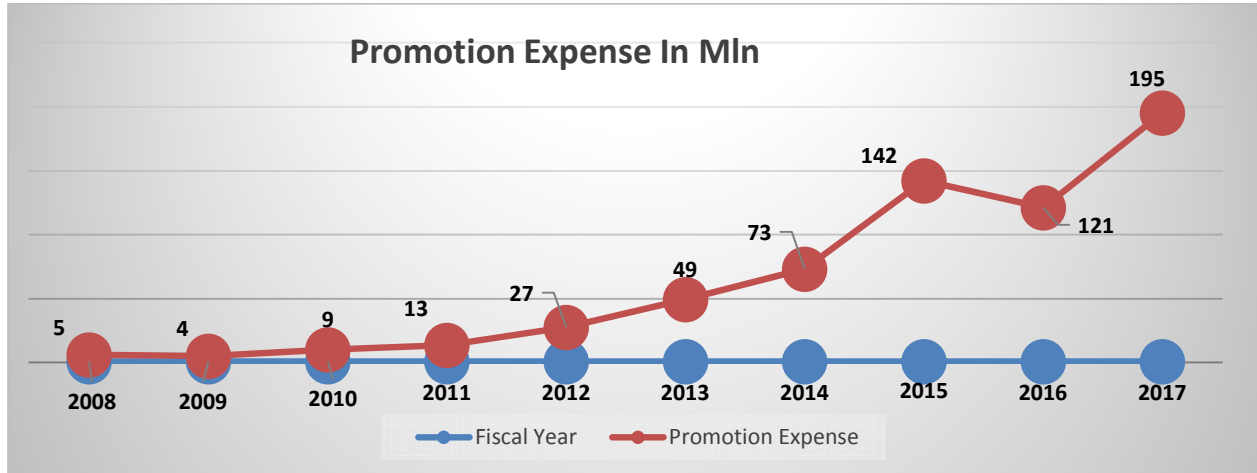
**Table 4.3 Ten Years Promotion Expense and Total Deposit Mobilized Trend Data of CBE**

<b>S.No.</b>	<b>Fiscal Year</b>	<b>Promotion Expense(In’ Mln)</b>	<b>Total Deposit Mobilized (In’ Mln)</b>
1	2008	5	38,776
2	2009	4	45,963
3	2010	9	57,244
4	2011	13	87,645
5	2012	27	123,356
6	2013	49	155,701
7	2014	73	194,496
8	2015	142	242,904
9	2016	121	289,633
10	2017	195	364,862

*Source: CBE Financial & Annual Reports (2008 – 2017)*

The above Table 4.3. Shows the trend of the lump sum promotion expense of CBE over the ten years period and the deposit trend that has been mobilized over the ten years period. On the financial statements, all the promotion expenses are merged and debited to an account called Advertising and Publicity, so it is very difficult to identify the share of the expenditure related to the promotion mix elements. Therefore, this just to show the trend of both items over the ten years period and the trend shows that amount of deposit mobilized through the years increased as well as the promotion expense. The trend shows that the costs incurred for promotion could be considered as investments rather than expenses.

**Figure 4.2 Promotion Expense Growth trend of ten years**

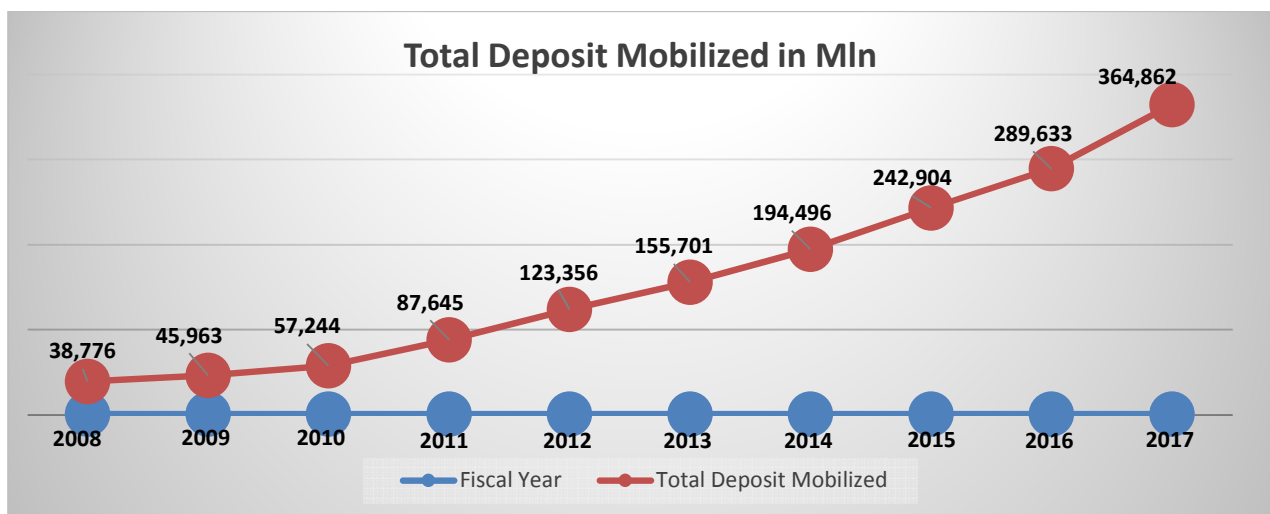


Source: CBE Financial & Annual Reports (2008 – 2017)

From **Figure 4.2**. The promotional expense from year 2008 up to 2011 was slightly the same, from 2011 up to 2013 there was somehow substantial increment, from the year 2014 up to 2015 the increment was sharp and from the year 2015 up to 2017 the increment was even sharper.

This outcome also supports the fact that since the bank was working for the realization of GTP-1 followed by GTP-2, since the commencement of the GTP-1, apart from other variables, as a corporate citizen the bank was engaged in aggressive awareness creation and developing deposit mobilization strategies in order to support the developmental goal of the country.

**Figure 4.3 Deposit Mobilization Growth trend of ten years**



Source: CBE Financial & Annual Reports (2008 – 2017)

**Figure 4.3.** shows the increment of the total deposit mobilized from year-to-year. This graph also supports that the first highest increment was registered at the beginning of the GTP-1, continued to grow rapidly from one fiscal period to another.

#### 4.4.2. Advertising as a promotion strategy of CBE

All of the independent variables were measured using five point Likert scale ("1" Strongly disagree; to "5" Strongly agree). Basic analysis with Likert scale data is that using the mean, as a measure of central tendency has no meaning i.e. what is the average of strongly agree and disagree. The most appropriate measure is the mode the most frequent responses, or the median. The best way to display the distribution of responses is using the percentage (%). i.e.; agree, disagree etc. (Best & Khan, 1995). The interpretations of the Likert scale results will be in the above stated manner:

This sub section will discuss about advertising as a promotion strategy in deposit mobilization of CBE.

**Table 4.4 Advertising as a Promotion Strategy of CBE**

Advertising	S.D	D	N	A	S.A	Mean	S.D.
The Bank's Advertisements that are communicated repeatedly influence saving behavior	20 (2.5)	90 (11.5)	178 (22.6)	384 (48.9)	114 (14.5)	3.61	0.95
The Television Advertisements are more appealing	21 (2.7)	65 (8.3)	140 (17.8)	411 (52.3)	149 (19.0)	3.77	0.94
The messages conveyed through Television Advertisement are very clear	8 (1.0)	44 (5.6)	158 (20.1)	464 (59.0)	112 (14.2)	3.81	0.79
The Distribution of Brochures and /or flyers have an impact on saving behavior	13 (1.7)	86 (10.9)	145 (18.4)	443 (56.4)	99 (12.6)	3.67	0.89
The Advertisements transmitted through radio are good enough to influence saving behavior	40 (5.1)	147 (18.7)	247 (31.4)	287 (36.5)	65 (8.3)	3.24	1.01
The Billboards and posters advertises the bank very well	20 (2.5)	102 (13.0)	129 (16.4)	439 (55.9)	96 (12.2)	3.62	0.94

The advertisements of the bank are memorable and invite for further discussion among friends	58 (7.4)	142 (18.1)	303 (38.5)	229 (29.1)	54 (6.9)	3.10	1.02
The characters that represent the bank in advertising are influential people /are celebrities/	12 (1.5)	46 (5.9)	151 (19.2)	473 (60.2)	104 (13.2)	3.78	0.80
The Advertisement of CBE is memorable and influences customers to react	17 (2.2)	102 (13.0)	204 (26.0)	380 (48.3)	83 (10.6)	3.52	0.92
The overall Mean and Standard Deviation of Advertising						3.60	0.62

*Source: Computation from Survey Data (2018)*

From **Table 4.4**. Most of the respondents on average agree about the Bank's Advertisements that are communicated repeatedly influence saving behavior (Mean = 3.61, S.D. = 0.95). Most of the respondents also agreed that the Television Advertisements are more appealing (Mean = 3.77, S.D. = 0.94). In addition to television advertisement most of the respondents agree about the Messages conveyed through Television Advertisement are very clear and have an effect on deposit mobilization (Mean = 3.81, S.D. = 0.79). Regarding the distribution of brochures and /or flyers 56% of the respondents agree that having an impact on saving behavior (Mean = 3.67, S.D. = 0.89). Most of the respondents agreed about the Advertisements transmitted through radio are good enough to influence saving behavior (Mean = 3.24, S.D. = 1.01). Majority of the respondents agreed about that the Billboards and posters advertises the bank very well (Mean = 3.62, S.D. = 0.94). Most of respondents for this inquiry were neutral comprising 38.5% of the total about the advertisements of the bank are memorable and invite for further discussion among friends (Mean = 3.10, S.D. = 1.02). About 60.2% of the respondents agreed about the characters that represent the bank in advertising are influential people and or celebrities (Mean = 3.78, S.D. = 0.80). Finally yet importantly most of the respondents in this group on average agreed that the Advertisement of CBE is memorable and influences customers to react (Mean = 3.52, S.D. = 0.92).

#### **4.4.3. Personal Selling as a Promotion Strategy of CBE**

This sub section will discuss about the result of the Personal Selling as one of the elements of the promotion strategy of CBE. The following table 4.5 is a summary of the Personal Selling indicators of having an effect on deposit mobilization.

**Table 4.5 Personal Selling as a Promotion Strategy of CBE**

<b>Personal Selling</b>	S.D	D	N	A	S.A	Mean	S.D.
The employees of the bank have a good understanding about the services provided by the Bank	24 (3.1)	106 (13.5)	162 (20.6)	393 (50.0)	101 (12.8)	3.56	0.98
The Dressing Code of the Bank is appealing to customers	24 (3.1)	129 (16.4)	176 (22.4)	342 (43.5)	115 (14.6)	3.50	1.03
The employees of the bank have integrity	19 (2.4)	59 (7.5)	188 (23.9)	389 (49.5)	131 (16.7)	3.70	0.92
The employees of the Bank are equipped well with a very good up-selling & Cross-selling techniques	20 (2.5)	110 (14.0)	221 (28.1)	374 (47.6)	61 (7.8)	3.44	0.91
The communication skill of the Bank's employees is up to customers' expectations	24 (3.1)	115 (14.6)	236 (30.0)	344 (43.8)	67 (8.5)	3.40	0.94
The employees of the Bank serve the customers of the Bank with due diligence	20 (2.5)	82 (10.4)	179 (22.8)	413 (52.5)	92 (11.7)	3.60	0.91
<b><i>The overall Mean and Standard Deviation of Personal Selling</i></b>						3.56	0.72

**Source: Computation from Survey Data (2018)**

From **Table 4.5**. In discussing about personal selling 50 percent of the respondent agreed on average about the employees of the bank have a good understanding about the services provided by the Bank (Mean = 3.56, S.D. = 0.98). Regarding about the Dressing Code of the Bank being appealing to customers, most of the respondents agreed (Mean = 3.50, S.D. = 1.03). The majority of the respondents agreed on average about the integrity of the bank employees (Mean = 3.70, S.D. = 0.92) as having an effect on deposit mobilization. Most of the respondents agreed on employees of the Bank being equipped well with a very good up-selling & Cross-selling techniques for deposit mobilization (Mean = 3.44, S.D. = 0.91). Regarding the communication skill of the Bank's employees is up to customers' expectations, most of the respondents agreed (Mean = 3.40, S.D. = 0.94). Majority of the respondents agreed on average about "the employees of the Bank serve the customers of the Bank with due diligence" (Mean = 3.60, S.D. = 0.91).



#### 4.4.4. Sales Promotion as a promotion strategy of CBE

In this sub section Sales Promotion as a promotion strategy having an effect on deposit mobilization will be discussed. The following table 4.6 is a summary about the Sales Promotion indicators and their effect on deposit mobilization.

**Table 4.6 Sales Promotion as a Promotion Strategy of CBE**

<b>Sales Promotion</b>	<b>S.D</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>S.A</b>	<b>Mean</b>	<b>S.D.</b>
The Prize-Linked scheme that the bank implements motivate customers to make a sustainable saving	21 (2.7)	87 (11.1)	148 (18.8)	431 (54.8)	99 (12.6)	3.64	0.93
The interest rates offered to the various saving accounts are appealing to customers	44 (5.6)	134 (17.0)	192 (24.4)	339 (43.1)	77 (9.8)	3.34	1.05
The Bank segregates its products to reach the various section of the society	16 (2.0)	18 (2.3)	112 (14.2)	388 (49.4)	252 (32.1)	4.07	0.86
The bank distributes promotional gifts to customers	19 (2.4)	77 (9.8)	145 (18.4)	376 (47.8)	169 (21.5)	3.76	0.98
The Bank gives recognition to high volume depositors	42 (5.3)	76 (9.7)	190 (24.2)	320 (40.7)	158 (20.1)	3.61	1.08
There are products, which are provided by the bank but not promoted as they need to be	28 (3.6)	64 (8.1)	300 (38.2)	275 (35.0)	119 (15.1)	3.50	0.96
There are products of the Bank that are promoted aggressively but not satisfying as they seem to be	26 (3.3)	60 (7.6)	207 (26.3)	358 (45.5)	135 (17.2)	3.66	0.96
<b><i>The overall Mean and Standard Deviation of Sales Promotion</i></b>						<b>3.63</b>	<b>0.66</b>

**Source: Computation from Survey Data (2018)**

From Table 4.6. Most of the respondents agreed about the Prize-Linked scheme that the bank implements motivate customers to make a sustainable saving (Mean =3.64, S.D. = 0.93). Regarding the interest rates offered to the various saving accounts being appealing to customers, more number respondents agreed but on average the outcome was neutral (Mean = 3.34, S.D. = 1.05). The majority of the respondents agreed on average that the bank segregates its products to reach the various section of the society (Mean = 4.07, S.D. = 0.86). Most respondents agreed on average in replying the question that the bank distributes promotional gifts to customers Mean = 3.76, S.D. = 0.98). Regarding the Bank’s recognition to high volume depositors, most respondents agreed on average agreed (Mean = 3.61, S.D. = 1.08).The majority of the responses obtained for “There are products, which are provided by the bank but not promoted as they need to be” were neutral and there was low level of agreement on average (Mean =3.50, S.D. = 0.96).Most respondents agreed on average for “There are products of the Bank that are promoted aggressively but not satisfying as they seem to be” (Mean = 3.66, S.D. = 0.96).

#### 4.4.5. Public Relations and Publicity as a promotion Strategy of CBE

The following table 4.7. Discusses Public Relations and Publicity as one of the promotion strategies, which has an effect on deposit mobilization.

**Table 4.7 Public Relations and Publicity as a promotion Strategy of CBE**

<b>Public Relations and Publicity</b>	S.D	D	N	A	S.A	Mean	S.D.
The Bank’s Logo is memorable and meaningful to its customers	43 (5.5)	92 (11.7)	111 (14.1)	277 (35.2)	263 (33.5)	3.80	1.18
The Bank publishes various publications in order to reach its stakeholders and the general public	12 (1.5)	107 (13.6)	157 (20.0)	384 (48.9)	126 (16.0)	3.64	0.96
The Bank carries out its responsibilities as a corporate citizen by participating in charitable activities	12 (1.5)	68 (8.7)	152 (19.3)	427 (54.3)	127 (16.2)	3.75	0.88
The Bank sponsors public events and or activities that contribute immensely to	26 (3.3)	77 (9.8)	159 (20.2)	397 (50.5)	127 (16.2)	3.66	0.97

the benefit of the public at large							
The Bank is responsive and exemplary to any national call	21 (2.7)	48 (6.1)	177 (22.5)	348 (44.3)	192 (24.4)	3.82	0.96
<b><i>The overall Mean and Standard Deviation of Public Relations &amp; Publicity</i></b>						3.73	0.70

***Source: Computation from Survey Data (2018)***

In this section, frequency distribution of Public Relations and publicity will be discussed. Majority of the respondents agree on average about The Bank’s Logo being memorable and meaningful to its customers (Mean = 3.80, S.D. = 1.18). In addition to this the majority of the respondents on average agreed about The Bank publishes various publications in order to reach its stakeholders and the general public (Mean = 3.64, S.D. = 0.96). Almost all respondents agree that the Bank carries out its responsibilities as a corporate citizen by participating in charitable activities (Mean = 3.75, S.D. = 0.88). Again about the bank’s sponsorship most respondents above average agreed that the Bank sponsors public events and or activities that contribute immensely to the benefit of the public at large (Mean = 3.66, S.D. = 0.97) and finally majority of the respondents that the bank is responsive and exemplary to any national call (Mean = 3.82, S.D. = 0.96).

#### **4.4.6. Direct Marketing as a promotion Strategy of CBE**

The following table 4.8 summarizes Direct Marketing as a promotion strategy having an effect on deposit mobilization.

***Table 4.8 Direct Marketing as a promotion Strategy of CBE***

<b>Direct Marketing</b>	S.D	D	N	A	S.A	Mean	S.D.
The bank promotes its products aggressively through the internet	60 (7.6)	154 (19.6)	288 (36.6)	237 (30.2)	47 (6.0)	3.07	1.02
The bank uses web-based marketing to reach its Diaspora customers as well as the public at large	56 (7.1)	102 (13.0)	324 (41.2)	234 (29.8)	70 (8.9)	3.20	1.01
The Bank is a click away from its customers/Mobile Banking/	28 (3.6)	93 (11.8)	246 (31.3)	324 (41.2)	95 (12.1)	3.46	0.97
The information that are loaded on the	44	131	299	242	70	3.21	1.01

website of the bank are informant & up-to-date	(5.6)	(16.7)	(38.0)	(30.8)	(8.9)		
The website of the bank is appealing to visit and react	43 (5.5)	194 (24.7)	205 (26.1)	270 (34.4)	74 (9.4)	3.18	1.08
<i>The overall Mean and Standard Deviation of Direct Marketing</i>						3.22	0.81

**Source: Computation from Survey Data (2018)**

From **Table 4.8**, we can see the results of Direct Marketing as a promotion strategy. Most number of the respondents 36% were neutral though followed by those who agreed 30.2%, on average the outcome was neutral about the inquiry that the bank promotes its products aggressively through the internet helps for deposit mobilization (Mean = 3.07, S.D. = 1.02). And also, most of the respondents on average were neutral about the bank uses web-based marketing to reach its Diaspora customers as well as the public at large helping for deposit mobilization (Mean = 3.2, S.D. = 1.01). The majority of the respondents agreed about the Bank being a click away from its customers/Mobile Banking/ (Mean = 3.46, S.D. = 0.97). On average, the respondents were neutral about the information that are loaded on the website of the bank are informant & up-to-date (Mean = 3.21, S.D. = 1.01). Regarding the website marketing, though most of the respondents agreed the average outcome for the website of the bank being appealing to visit and react was neutral (Mean = 3.46, S.D. = 0.97).

#### **4.4.7. Perception of Respondents on Deposit Mobilization**

The following table 4.9. Summarizes the perception of respondents towards deposit mobilization.

**Table 4.9 Perception of Respondents on Deposit Mobilization**

<b>Deposit Mobilization</b>	V.L.	L	M	H	V.H.	Mean	S.D.
The Liquidity of Commercial Bank of Ethiopia is:-	19 (2.4)	81 (10.3)	148 (18.8)	437 (55.6)	101 (12.8)	3.66	0.91
The profitability of CBE is increasing in a ____ rate.	33 (4.2)	123 (15.6)	192 (24.4)	357 (45.4)	81 (10.3)	3.42	1.00
The Lending rate of CBE is:-	16 (2)	15 (1.9)	112 (14.2)	389 (49.5)	254 (32.3)	4.08	0.85

The interest rate offered by CBE on saving deposit is:-	18 (2.3)	70 (8.9)	143 (18.2)	384 (48.9)	171 (21.8)	3.79	0.96
The rate of CBE's growth of money supply is:-	25 (3.2)	70 (8.9)	191 (24.3)	342 (43.5)	158 (20.1)	3.68	0.99
The volume of the reserve fund of CBE at the central governing bank is:-	16 (2)	61 (7.8)	299 (38.0)	289 (36.8)	121 (15.4)	3.56	0.91
CBE's provision of loan for every sector is:-	25 (3.2)	55 (7)	209 (26.6)	362 (46.1)	135 (17.2)	3.67	0.95
<b><i>The overall Mean and Standard Deviation of Deposit Mobilization</i></b>						3.35	0.48

***Source: Computation from Survey Data (2018)***

Table 4.9. Discusses the results of the responses obtained towards deposit mobilization attributes. Most of the respondents 55.6% agreed that the liquidity of CBE is high with (Mean = 3.66, S.D. = 0.91). For the increasing profitability rate of CBE, most respondents 45.4% agreed that it is high (Mean = 3.42, S.D. = 1.00). Regarding the lending interest rate of CBE most of the respondents, 49.5% perceived it as being high (Mean = 4.08, S.D. = 0.85). Regarding the interest rate offered by CBE on saving deposit, on average most of the respondents, 48.9% agreed that it is high (Mean = 3.79, S.D. = 0.96). About the rate of CBE's growth of money supply, most of the respondents 43.5% agreed on average that it is high (Mean = 3.68, S.D. = 0.99). The respondents, about 38% agreed that the volume of the reserve fund of CBE at the central governing bank to be medium but almost equivalently 37% agreed to be high (Mean = 3.56, S.D. = 0.91). About the last attribute under this dimension, most of the respondents agreed on average that CBE's provision of loan for every sector is high (Mean = 3.67, S.D. = 0.95).

#### **4.5. The Relationship between Deposit Mobilization and Promotion Strategy**

This study employs correlation analysis, which investigates the strength of the relationships between the studied variables. Pearson correlation analysis was used to provide evidence of convergent validity. Pearson correlation coefficients reveal magnitude and direction of relationships (either positive or negative) and the intensity of the relationship (-1.0 + 1.0). Correlations are perhaps the most basic and most useful measure of association between two or more variables (*Churchill & Iacobucci, 2005*).

#### 4.5.1. Pearson Correlation analysis

According to (Brooks., 2008), the relationship is expressed by value within the range -1.00 to +1.00 as Pearson product–moment indicates. Pearson correlation is +1 in the case of a perfect positive linear relationship (correlation) and -1 indicating the existence of a Perfect negative linear relationship (correlation). To determine the relationship between deposit mobilization and independent variables that are supposed to influence customers’ saving behavior /Promotion Mix/ (advertising, personal Selling, sales promotion, public relations, and direct marketing), Pearson correlation was computed. Table 4.10., presents the results of Pearson correlation on the relationship between deposit mobilization and independent variables /Promotion Mix/ (advertising, personal Selling, sales promotion, public relations& publicity, and direct marketing).

**Table 4.10 Correlations of Deposit Mobilization and Promotion Strategy**

	Variables	Deposit Mobilization
Deposit Mobilization	Pearson Correlation	1
	Sig. (2-tailed)	
	N	786
Advertising	Pearson Correlation	.767**
	Sig. (2-tailed)	.000
	N	786
Personal Selling	Pearson Correlation	.738**
	Sig. (2-tailed)	.000
	N	786
Sales Promotion	Pearson Correlation	.414**
	Sig. (2-tailed)	.000
	N	786
Public Relations	Pearson Correlation	.633**
	Sig. (2-tailed)	.000
	N	786
Direct Marketing	Pearson Correlation	.357**
	Sig. (2-tailed)	.000
	N	786

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

**Source: Computation from Survey Data (2018)**

According to the Table 4.10, there were significant positive relationship between deposit mobilization and factors towards customers' saving behavior /Promotion Mix/ (advertising, personal Selling, sales promotion, public relations, and direct marketing). The strongest correlation resulted was between deposit mobilization and advertising ( $r=0.767$ ), in between personal selling and deposit mobilization ( $r = 0.738$ ), and in between deposit mobilization and public relations and publicity ( $r = 0.633$ ). The correlation that resulted as being moderate was in between direct marketing and deposit mobilization ( $r= 0.357$ ). In general, deposit mobilization and factors towards customers' saving behavior /Promotion Mix/ (advertising, personal Selling, sales promotion, public relations, and direct marketing) has significant positive correlation. This indicates that as advertising, personal Selling, sales promotion, public relations and publicity, and direct marketing have an effect on deposit mobilization.

#### **4.5.2. Multiple Regression Analysis**

In order to make the data ready for analysis and to get reliable results from the research, the model stated previously was tested for five multiple linear regression model assumptions. Among them the major ones are: test for heteroscedasticity, autocorrelation, multicollinearity, normality and constant variable. Accordingly, the following sub-section presents the tests made.

##### **Assumption one: the errors have zero mean ( $E(\epsilon) = 0$ ) or constant variable**

The first assumption states that the average value of the errors should be zero. According to (*Brooks., 2008*) if the regression equation contains a constant term, this presumption will never be breached. Therefore, since from the regression result table the constant term (i.e.  $\beta_0$ ) was included in the regression equation; this assumption holds good for the model.

##### **Assumption two: homoscedasticity (variance of the errors is constant ( $Var(\mu_t) = \sigma^2 < \infty$ ))**

Heteroscedasticity is a systematic pattern in the errors where the variances of the errors are not constant. When the variance of the residuals is constant it is referred as homoscedasticity, which is desirable. To test for the absence of heteroscedasticity white test was used in this study. In this test, if the p-value is very small, less than 0.05, it is an indicator for the presence of heteroscedasticity (*Gujarati, 2004*).

Table 4.11. Presents three different types of tests for heteroscedasticity. Since the p-values of all the three tests are considerably in excess of 0.05 it's a clear indicator that there is no evidence for the presence of heteroscedasticity. Hence, the model passes the second test.

**Table 4.11 Heteroskedasticity Test: Breusch-Pagan-Godfrey**

Heteroscedasticity Test: Breusch-Pagan-Godfrey

F-statistic	4.565427	Prob. F(5,780)	0.0644
Obs*R-squared	22.34868	Prob. Chi-Square (5)	0.0514
Scaled explained SS	19.03551	Prob. Chi-Square (5)	0.0819

*Source: Eviews-8*

**Assumption three: covariance between the error terms over time is zero (cov (ui, uj) = 0)**

This assumption states that covariance between the error terms over time or cross-sectional, for that type of data is zero. That is, the errors should be uncorrelated with one another. If the errors are not uncorrelated with one another it is an indicator for the presence of Auto correlation or serial correlation (*Brooks., 2008*)

According to (*Brooks., 2008*), presence/absence of autocorrelation is determined by using the Breusch–Godfrey test (shown in table 4.12). The result of the statistic labeled “obs\*R-squared”, which is the LM test statistic for the null hypothesis of no serial correlation shows a p-value of 0.0659 (which is far greater than 0.05) which strongly indicates the absence of autocorrelation.

**Table 4.12 Breuch-Godfrey Serial Correlation LM Test**

Breusch-Godfrey Serial Correlation LM Test:

F-statistic	2.711344	Prob. F(2,777)	0.0671
Obs*R-squared	5.440551	Prob. Chi-Square(2)	0.0659

*Source: Eviews-8*

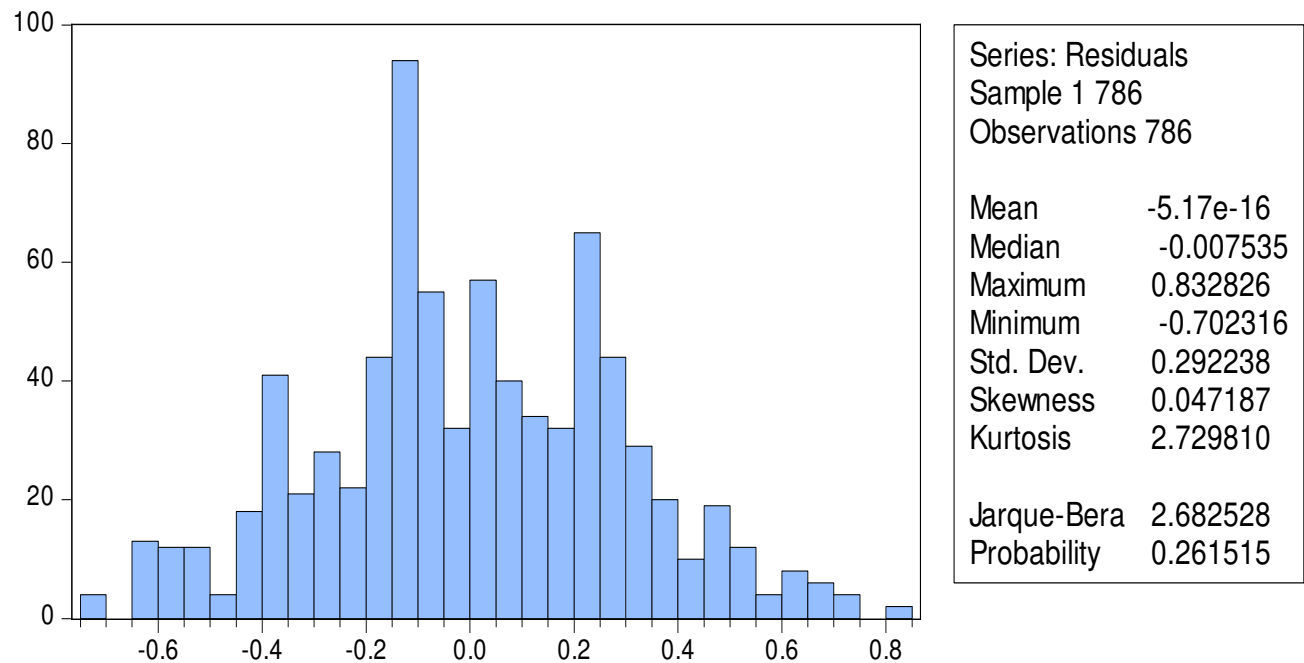


**Assumption four: Normality (errors are normally distributed  $\mu_t \sim N(0, \sigma^2)$ )**

A normal distribution is not skewed and is defined to have a coefficient of kurtosis 3. Jarque-Bera formalizes this by testing the residuals for normality and testing whether the coefficient of skeweness and kurtosis are zero and three respectively. Normality assumption of the regression model can be tested with the Jarque-Bera measure. If the probability of Jarque-Bera value is greater than 0.05, it is an indicator for the presence of normality (Brooks., 2008).

The normality tests for this study as shown in figure 4.4 the kurtosis is close to 3, skewness close to 0 and the Jarque-Bera statistic has a p-value of 0.261515 which is well over 0.05 implying that the data were consistent with a normal distribution assumption.

**Figure 4.4 Normality Test Result**



### Assumption Five: Multicollinearity Test

According to (Churchill and Iacobucci, 2005), multicollinearity is concerned with the relationship, which exists between explanatory variables. When there exists the problem of multicollinearity, the amount of information about the effect of explanatory variables on dependent variables decreases and as a result, many of the explanatory variables could be judged as not related to the dependent variables when in fact they are. How much correlation causes multicollinearity, however, is not still clearly defined. Many authors have suggested different level of correlation to judge the presence of multicollinearity. While (Hair et al, 2006) argued that correlation coefficient below 0.9 may not cause serious multicollinearity problem. (Malhotra, 2007) Stated that multicollinearity problem exists when the correlation coefficient among variables is greater than 0.75. This indicates that there is no consistent agreement on the level of correlation that causes multicollinearity.

**Table 4.13 Correlation Matrix between Explanatory Variables**

	AD	PS	SP	PR	DM
AD	1.000000				
PS	0.554685	1.000000			
SP	0.402359	0.333714	1.000000		
PR	0.674321	0.535391	0.372432	1.000000	
DM	0.311816	0.363224	0.189653	0.326492	1.000000

Therefore, in this study correlation matrix for five of the independent variables is shown above in Table 4.13. The result of the estimated correlation matrix shows that the highest correlation of 0.674321 is between public relations and advertising. Since there is no correlation above 0.75 and 0.9 according to (Malhotra, 2007) and (Hair, Black, Babin, & Tatham, 2006) respectively, it can be concluded that there is no problem of multicollinearity.

### 4.5.3. Regression Result and Hypothesis Testing

#### 4.5.3.1. Model Summary

Multiple regressions are the most common and widely used models to analyze the relationship between a single continuous dependent variable and multiple continuous on categorical independent variables (Brooks., 2008). In this study multiple regression analysis was employed to examine the effectiveness of promotion strategies (advertising, personal selling, sales promotion, public relations and publicity, and direct marketing) on deposit mobilization.

The following table presents the results of multiple regressions analysis. Here the squared multiple correlation coefficients ( $r^2$ ) which tells the level of variance in the dependent variable (deposit mobilization) that is explained by the model.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.859a	.737	.735	.29332

a. Predictors: (Constant), Advertising, Personal Selling, Sales Promotion, Public Relations and Publicity, and Direct Marketing

**Table 4.14 Model Summary**

**Source: SPSS Regression results output, 2018**

The results of multiple regressions, as presented in table 4.14., above, revealed that effectiveness of promotion strategies (advertising, personal selling, sales promotion, public relations and publicity, and direct marketing) on deposit mobilization. The adjusted  $R^2$  of 0.735 indicates 73.5% of the variance in deposit mobilization can be predicted by the effectiveness of promotion strategies (advertising, personal selling, sales promotion, public relations, and direct marketing). The remaining 26.5% of the variation in deposit mobilization that could be explained by other variables.

### 4.5.3.2.ANOVA – Results of Multiple Regression Analysis

The ANOVA Table 4.15 shows that accepting at least one of the elements of promotion mix elements (advertising, personal selling, sales promotion, public relations and publicity, and direct marketing) has significant effect on deposit mobilization, since the p-value for F-Statistics (0.000) less than the significance level 0.05.

**Table 4.15 ANOVA Table**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	188.192	5	37.638	437.477	.000 <sup>b</sup>
	Residual	67.107	780	.086		
	Total	255.299	785			

a. Dependent Variable: Deposit Mobilization

b. Predictors: (Constant), Advertising, Personal Selling, Sales Promotion, Public Relations and Publicity and Direct Marketing

### 4.5.3.3.Coefficients

Based on the table 4.15., the unstandardized beta coefficient, which tell us the unique contribution of each factor to the model. A high beta value and a small p value (<0.05) indicate the predictor variable has made a significance statistical contribution to the model. On the other hand, a small beta value and a high p value (p >0.05) indicate the predictor variable has little or no significant contribution to the model (*Brooks., 2008*). Table 4.15, also indicates that advertising, personal selling, sales promotion, and public relations and publicity have significant effect on deposit mobilization at 95% confidence level, since their p-values (0.000 for advertising and personal selling, 0.003 for sales promotion, and 0.006 for public relations) less than the significance level 0.05. Nevertheless, Direct Marketing has no significant effect on deposit mobilization since its p-value 0.147 greater than the significance level 0.05. The significant and insignificant coefficients of promotion strategies (advertising, personal selling, sales promotion, public relations and publicity, and direct marketing) were included for the establishment of the function.

Deposit mobilization=0.433 + 0.416 advertising + 0.329 personal selling + 0.052 sales promotion + 0.058 public relations + 0.020 direct marketing.

**Table 4.16 Coefficients of the Independent Variables /Promotion mix Elements/**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.433	.076		5.675	.000
Advertising	.416	.024	.454	17.054	.000
Personal Selling	.329	.019	.417	17.756	.000
Sales Promotion	.052	.018	.060	2.935	.003
Public Relations	.058	.021	.072	2.748	.006
Direct Marketing	.020	.014	.029	1.450	.147

a. Dependent Variable: Deposit Mobilization

**Source: SPSS Regression results output, 2018**

#### 4.5.4. Hypothesis Testing Results

Hypothesis testing is based on unstandardized coefficients beta and P-value to test whether the hypotheses are rejected or not.

#### **Hypothesis 1: Advertising has significant and positive effect on deposit mobilization.**

The results of multiple regressions, as presented in table 4.16 above, revealed that Advertising has a positive and significant effect on deposit mobilization in commercial bank of Ethiopia with a beta value (Beta = 0.416), at 95% confidence level (p <0.05). The beta value (0.416) shows as one-unit increase in effectiveness of advertising there will be 41.6% increase on deposit mobilization of commercial bank of Ethiopia. Therefore, the researcher may accept the hypothesis; this indicates that effective advertising has a positive and significant effect on deposit mobilization.

**Hypothesis 2: Personal Selling has significant and positive effect on deposit mobilization.**

The results of multiple regressions, as presented in table 4.16 above, revealed that Personal Selling has a positive and significant effect on deposit mobilization in commercial bank of Ethiopia with a beta value (Beta = 0.329), at 95% confidence level ( $p < 0.05$ ). The beta value (0.329) shows as one-unit increase in effectiveness of Personal Selling there will be 32.9% increase on deposit mobilization of commercial bank of Ethiopia. Therefore, the researcher may accept the hypothesis; this indicates that Personal Selling has a positive and significant effect on deposit mobilization.

**Hypothesis 3: Sales Promotion has significant and positive effect on deposit mobilization.**

The results of multiple regressions, as presented in table 4.16 above, revealed that Sales Promotion has a positive and significant effect on deposit mobilization in commercial bank of Ethiopia with a beta value (Beta = 0.052), at 95% confidence level ( $p < 0.05$ ). The beta value (0.052) shows as one-unit increase in effectiveness of Sales Promotion there will be 5.2% increase on deposit mobilization of commercial bank of Ethiopia. Therefore, the researcher may accept the hypothesis; this indicates that effective Sales Promotion has a positive and significant effect on deposit mobilization.

**Hypothesis 4: Public Relations and publicity has a significant and positive effect on deposit mobilization.**

The results of multiple regressions, as presented in table 4.16 above, revealed that Public Relations has a positive and significant effect on deposit mobilization in commercial bank of Ethiopia with a beta value (Beta = 0.058), at 95% confidence level ( $p < 0.05$ ). The beta value (0.058) shows as one-unit increase in effectiveness of Public Relations and Publicity there will be 5.8% increase on deposit mobilization of commercial bank of Ethiopia. Therefore, the researcher may accept the hypothesis; this indicates that effectiveness Public Relations and Publicity has a positive and significant effect on deposit mobilization in commercial bank of Ethiopia.

**Hypothesis 5: Direct Marketing has a significant and positive effect on deposit mobilization.**

The results of multiple regressions, as presented in table 4.16 above, revealed that Direct Marketing has no significant effect on deposit mobilization in commercial bank of Ethiopia with a beta value (Beta = 0.020), at 95% confidence level ( $p > 0.05$ ). Even if Direct Marketing is

insignificant the beta value (0.020) shows as one-unit increase in an effective Direct Marketing there will be 2.0% increase on deposit mobilization of commercial bank of Ethiopia. Therefore, the researcher may reject the hypothesis, this indicates that direct marketing has no significant effect on deposit mobilization in commercial bank of Ethiopia based on this study.

## CHAPTER FIVE

### V. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1. Summary of findings

The main objective of the study was to identify the effectiveness of promotion strategies of CBE on deposit mobilization. The study was conducted by distributing a total of 786 questionnaires; i.e. 386 questionnaires were distributed to the bank employees and 400 questionnaires were distributed to account holders of the sample branches. All the 786 questionnaires were returned back.

In order to know the internal consistency and validity of questions in the questionnaire Cronbach-alpha coefficients was computed. The overall scale reliability of Advertising, Personal Selling, Sales Promotion, Public Relations and publicity and Direct Marketing scale was found to be 0.915, as described by (*Hair et al..., 2003*) the values of Cronbach's alpha more than 0.7 is good. Therefore, since alpha values of this study were greater than 0.7 so have a very good reliability.

The specific objectives that were set at the beginning of this study were to explore and examine the promotion strategies of CBE, to investigate CBE's target markets that are supposed to be reached with the promotion mix, to determine the contribution of promotion strategies to deposit mobilization in CBE, to assess the level of appropriateness of the promotion mix of CBE and finally to identify which promotion mix is more effective strategy in influencing the target audiences' attitude towards saving and needs to be considered while formulating marketing strategies.

Based on the descriptive statistic results of the survey the following were observed about the five dimensions of the promotional mix:

- Advertising having nine attributes, respondents have agreed on average i.e. above 3.5 with respect to a 5-point scale for the seven attributes. Regarding the two attributes i.e. the Advertisement transmitted through radio being good enough to influence saving behavior and about the bank's advertisement being memorable and inviting for further discussion, the response was below average



- Personal selling having six attributes, the responses obtained for four attributes were above average i.e. above 3.5 on a 5-point scale whereas for the employees of the bank being equipped well with a very good up-selling and cross-selling techniques and also whether their communication skill is up to the customers' expectations, the obtained result was below average
- Sales promotions having seven attributes, the mean value obtained from the five responses was above average on the 5-point scale. Nevertheless, about the interest rates offered by the bank, the results obtained were below average. About the segregation of the Bank's products to reach the various section of the society, the outcome was very high with a mean value of 4.07 on a 5-point scale.
- Having five attributes, all the responses obtained were above average for public relations.
- For all the five attributes of Direct Marketing, the responses obtained were below average, on the 5-point scale, with a mean value that ranges from 3.07 up to 3.46.
- According to Pearson Correlation Analysis, there were significant positive relationship between deposit mobilization and factors towards customers' saving behavior /Promotion Mix/ (advertising, personal Selling, sales promotion, public relations, and direct marketing). The highest correlation was between deposit mobilization and advertising ( $r=0.767$ ), in between personal selling and deposit mobilization ( $r= 0.738$ ), and in between deposit mobilization and public relation ( $r = 0.633$ ). The lowest correlation in between direct marketing and deposit mobilization ( $r= 0.357$ ). Regarding the correlation between sales promotion and deposit mobilization the outcome was ( $r= 0.414$ ). In general, deposit mobilization and the indicators towards customers' saving behavior /Promotion Mix/ (advertising, personal Selling, sales promotion, public relations, and direct marketing) have a significant positive correlation.
- The results of multiple regressions, as presented in the preceding chapter, has revealed that effectiveness of promotion strategies (advertising, personal selling, sales promotion, public relations and publicity, and direct marketing) on deposit mobilization. The adjusted  $R^2$  of 0.735 indicates 73.5% of the variance in deposit mobilization can be predicted by the effectiveness of promotion strategies (advertising, personal selling, sales promotion, public

relations, and direct marketing). The remaining 26.5% of the variation in deposit mobilization could be explained by other variables.

- The result of the estimated correlation matrix shows that the highest correlation of 0.674321 which is between personal selling and advertising. Since there is no correlation above 0.75 and 0.9 according to (Malhotra, 2007) and (Hair, Black, Babin, & Tatham, 2006) respectively, it can be concluded that there is no problem of multicollinearity.
- From the research, it has been found out that direct marketing has no significant influence on deposit mobilization since their p-value 0.147 is greater than the significance level 0.05. The significant and insignificance indicators for the effectiveness of promotion strategies on deposit mobilization (advertising, personal selling, sales promotion, public relations, and direct marketing) have been included for the establishment of the function.

Deposit mobilization = 0.433 + 0.416 advertising + 0.329 personal selling + 0.052 sales promotion + 0.058 public relations + 0.020 direct marketing.

#### ➤ **Hypothesis Testing Result**

***Hypothesis 1:*** Advertising has significant and positive effect on deposit mobilization.

**Accepted**

***Hypothesis 2:*** Personal Selling has significant and positive effect on deposit mobilization.

**Accepted**

***Hypothesis 3:*** Sales Promotion has significant and positive effect on deposit mobilization.

**Accepted**

***Hypothesis 4:*** Public Relations has a significant and positive effect on deposit mobilization.

**Accepted**

***Hypothesis 5:*** Direct Marketing has significant and positive on deposit mobilization.

**Rejected**

## 5.2. Conclusions

An organization's strategic goals are based on both internal and external knowledge, insight, and in-depth analysis. Without a strategic plan, resources are spent on events, activities, and functions that may not generate the desired outcome. To make the most of each cent spent by an organization, all functions must work together to create a well-blended system. The marketing plan, which is based on a full understanding of the market, the organization, and the customer needs, merges directly with the strategic plan to provide a road map for the organization. This road map is the ultimate tool for guiding leaders towards making decisions that will provide sustainable return on investment to the company.

- CBE, being a public bank under the rules and regulations of the government has to reach out to the general public through various Communication Medias in order to teach and create awareness apart from being competitive in the industry. The target market of CBE is the public.

*"...We strongly believe that winning public confidence is the basis of our success."*

(Partially taken from the mission statement of CBE)

- *Advertising* is considered to be the most important paid form of promotional tool designed to influence buyer's behavior that is done in a non-personal manner through intermediary or media and complements or may substitute for personal selling. Having the stated good quality, the advertisement of CBE communicated through radio was not good enough to influence saving behavior and as per the outcome of the analysis; CBE's advertisement was not that memorable to invite further discussion.
- *Personal Selling*, being the second best promotion strategy as per the findings of this research, the employees of the bank lack a very good up-selling and cross-selling techniques and also their communication skill was not up to the customers' expectations.
- The third Promotion mix element picked was *sales promotion*. Though sited as a best promotion strategy, the interest rate offered by the bank, as per the findings was not appealing to the customers saving behavior. On the contrary, the segregation of its products has got a

favorable response. Therefore, segmentation of customers is an essential attribute to the promotion mix of CBE.

- The aim of *Direct Marketing* is to inform as well as to promote. It is also used to obtain immediate response and cultivate lasting customer relations with mail, telephone, fax, internet etc. However, as per the findings of this research, Direct Marketing being promotion mix element, its effectiveness as a deposit mobilization tool is insignificant and was recommended to be rejected, though the hypothesis testing result H<sub>5</sub> shows a one-unit increase in effective direct marketing there will be 2% increase in deposit mobilization.
- The promotion strategies that CBE is launching are Advertising, Personal Selling, Sales Promotion, Public Relations, and finally Direct Marketing. According to the findings, next to Advertising, Personal Selling is more appropriate marketing tool of CBE for deposit mobilization.
- The secondary data presentation shows that there is a direct relationship between promotion expense and the amount of deposit mobilized.

### **5.3. Recommendations**

From the above drawn conclusions that have been made based on the research findings, the following recommendations are given:

- Advertising is a 'Paid form' of communication. It is used to develop attitudes, create awareness, and transmit information in order to gain a response from the target market, Armstrong and (Kotler P. , 2003). Therefore, the advertisements that are transmitted through radio need to be strong enough to influence saving behavior of the public at large and the frequency of the air time has to be revisited. Since the society end-to-end has developed the culture of using cell phones to listen to radio while walking, working and being in transportation, exploiting this communication media will be wise. Moreover, the wording, the dramatization, and presenters have to be customized in order to seize the attention of audiences and remain in the minds.
- According to (Ennew & Waite, 2007), personal selling is an effective way to manage personal customer relationships. Therefore, CBE has to train and coach its employees on a continuous

basis in order to equip them with an excellent up-selling and cross-selling technique and also to boost their communication skill and align it with the customers' expectations.

- With respect to sales promotion, the interest rate offered by the bank is not good enough to persuade customers to make deposits. Therefore, CBE in collaboration with the Government has to seek a way in order to improve the rate of the interest offered taking into account the macroeconomic environment and other variables that might affect the country's economy taken together.
- One attribute in the sales promotion dimension .i.e. product segmentation was appealing to the bank depositors saving behavior. Since the bank is incurring a substantial cost while launching and on the ongoing promotions for these segments, has to make the best out of it by creating awareness among the general public and using the developmental partners .i.e. schools, universities, Sub Cities, health centers, religious institutions ... etc. in order to reach out and track the target segment for a specific product.
- From the conclusion it can be drawn that due attention is not given to Direct Marketing by CBE though the bank is incurring substantial infrastructural and promotional costs for the launching of the service. Apart from rendering the E-Banking service, creating cashless society is one of the critical themes of the bank. Therefore, the bank should give the necessary attention to this specific marketing strategy and has to work for its improvement in collaboration with Ethio-Telecom since the bank is using its connection.
- Since all the dimensions .i.e. Advertising, Personal Selling, Sales Promotion, Public Relations and publicity and Direct Marketing are necessary and contribute to one goal, the bank has to create a systematic approach in order to benefit out of each promotion element.

Promotion has always been important in financial services, and if any its importance is increasing. The market for financial services is going through a period of rapid change, and levels of competition are increasing. Promotion magnetizing for the incurring of substantial amount of marketing cost, it is important that promotional activities are carefully planned and implemented and its consistency should tally with the corporate strategy of the organization.

To conclude, Promotion Strategies deal with all aspects of communication between an organization and its customers, its employees and other stakeholders. Five main promotional tools are available to an organization – Advertising, Personal Selling, Sales Promotion, Public Relations, and Direct Marketing. The balance between these tools will vary according to the nature of the overall marketing strategy, the characteristics of the product, the resources of the organization and the nature of the target market. Whatever promotional mix is chosen, the effectiveness of the communications process depends on the development of a clear and unambiguous message that is presented to the right target audience, at the right time and through the most appropriate medium.

#### **5.4. Limitations and Indicators for Future Studies**

The researcher believes, taken into serious considerations, the findings from this research could contribute to the benefit of the banking industry. The limitation to the study lies on the variables that were considered during the research. Apart from being a case study, as a part of the marketing strategy, only one of the marketing strategy elements, i.e. promotion mix was taken into account and regarding the sample considered, the researcher does not believe that it is holistic. Considering the reasons below:

- It would be wise to consider sample members not only from Addis Ababa but also from out of Addis Ababa so that the results could be more representative and suitable for generalization.
- Since the study was focused on only one promotion strategy element, i.e.; it would be more effective research to include the other three elements; i.e. Product, Price and place.
- It would be of great interest to investigate how the customers that are found in the regions and or rural areas would respond to the banks promotional materials /give away/ and the prizes that are linked with the deposit mobilization effort through lottery method.
- It could also be of interest to investigate how the internet could be used as a marketing tool in more efficient and practical way.

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# APPENDICES



## APPENDIX – ONE

**St. Mary University**  
**Postgraduate Studies in Marketing Management**  
**Questionnaire to Customers & Bank Employees**

Dear Respondent,

I am Admass Mulugeta, a Postgraduate student at St. Mary University. Currently, I am undertaking a research to assess the effectiveness of promotion strategies on deposit mobilization: A case Study on Commercial Bank of Ethiopia. The research paper is intended for the partial fulfillment of Master's Degree in Marketing Management at St. Mary University. Your participation in this survey is voluntary. The information you provide will be used only for the purpose of the study and will be kept strictly confidential. Please do not write your name or contact details on the questionnaire.

Since none of your response is forwarded to any other third party and is kept confidential, please answer each questionnaire with no fear of repercussion. Moreover, the success or failure of this case study entirely depends on your responses; hence please respond each question as appropriately as possible.

Thank you in advance for your kind cooperation.

### **Part I: General Profile (please put "X" mark on the box that best describes you)**

1. Age: 18- 35  36- 54  55 and above

2. Gender: Female  Male

3. Current Marital Status: Single  Married  Widowed  Separated

4. Highest educational level obtained:

1 = 9-12 Grade	2= TVET graduate	3= College Diploma
4=Degree	5= Above Degree	

5. Monthly income in ETH birr: Less than 1,500  1,501-3,000  3,001-8,000  8,001+



## Part II: General Questions

1	Please rate the following promotion mixes of Commercial Bank of Ethiopia by giving from 1 - 5 rate as 1 for the most preferred through 5 for least rated chronologically	Advertising	Public Relations	Sales Promotion	Direct Marketing	Personal Selling
2	How do you rate the overall promotion of CBE?	Excellent	Very Good	Good	Fair	Poor
3	How do you rate the persuasion level of the Bank's Promotion?	Excellent	Very Good	Good	Fair	Poor

## Part III. Underlying factors towards customers' saving behavior /Promotion Mix/

Please circle the number of your choice that best suits your opinion from the listed statements that are associated with the factors that influence your saving behavior; 1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree and 5= Strongly Agree

S.No.	Items	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
<b>I. Advertising</b>						
1	The Bank's Advertisements that are communicated repeatedly influence saving behavior	1	2	3	4	5
2	The Television Advertisements are more appealing	1	2	3	4	5
3	The messages conveyed through Television Advertisement are very clear	1	2	3	4	5
4	The Distribution of Brochures and /or flyers have an impact on saving behavior	1	2	3	4	5
5	The Advertisements transmitted through radio are good enough to influence saving behavior	1	2	3	4	5
6	The Billboards and posters advertises the bank very well	1	2	3	4	5

7	The advertisements of the bank are memorable and invite for further discussion among friends	1	2	3	4	5
8	The characters that represent the bank in advertising are influential people /are celebrities/	1	2	3	4	5
9	The Advertisement of CBE is memorable and influences customers to react	1	2	3	4	5
<b>II. Personal Selling</b>						
1	The employees of the bank have a good understanding about the services provided by the Bank	1	2	3	4	5
2	The Dressing Code of the Bank is appealing to customers	1	2	3	4	5
3	The employees of the bank have integrity	1	2	3	4	5
4	The employees of the Bank are equipped well with a very good up-selling & Cross-selling techniques	1	2	3	4	5
5	The communication skill of the Bank's employees is up to customers' expectations	1	2	3	4	5
6	The employees of the Bank serves the customers of the Bank with due diligence	1	2	3	4	5
<b>III. Sales Promotion</b>						
1	The Prize-Linked scheme that the bank implements motivate customers to make a sustainable saving	1	2	3	4	5
2	The interest rates offered to the various saving accounts are appealing to customers	1	2	3	4	5
3	The Bank segregates its products to reach the various section of the society (Ordinary, Women, IFB, Teen & youth, Muday& Educational Savings)	1	2	3	4	5
4	The bank distributes promotional gifts to customers like; Laptop Bag, umbrella, pens, Card Kit, key holder, table coffee mat, ...etc	1	2	3	4	5
5	The Bank gives recognition to high volume depositors by celebrating Depositors' Day and by awarding certificates	1	2	3	4	5
6	There are products, which are provided by the bank but not promoted as they need to be	1	2	3	4	5
7	There are products of the Bank that are promoted aggressively but not satisfying as they seem to be	1	2	3	4	5

<b>IV. Public Relations&amp; Publicity</b>						
<b>1</b>	The Bank's Logo is memorable and meaningful to its customers	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>2</b>	The Bank publishes various publications in order to reach its stakeholders and the general public	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>3</b>	The Bank carries out its responsibilities as a corporate citizen by participating in charitable activities	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>4</b>	The Bank sponsors public events and or activities that contribute immensely to the benefit of the public at large	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>5</b>	The Bank is responsive and exemplary to any national call	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>V. Direct Marketing</b>						
<b>1</b>	The bank promotes its products aggressively through the internet	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>2</b>	The bank uses web-based marketing to reach its Diaspora customers as well as the public at large	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>3</b>	The Bank a click away from its customers/Mobile Banking/	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>4</b>	The information that are loaded on the website of the bank are informant & up-to-date	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>5</b>	The website of the bank is appealing to visit and react	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>VI. Deposit Mobilization</b>		<b>Very Low</b>	<b>Low</b>	<b>Medium</b>	<b>High</b>	<b>Very High</b>
<b>1</b>	The Liquidity of Commercial Bank of Ethiopia is:-	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>2</b>	The profitability of CBE is increasing in a ____ rate.	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>3</b>	The Lending rate of CBE is:-	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>4</b>	The interest rate offered by CBE on saving deposit is:-	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>5</b>	The rate of CBE's growth of money supply is:-	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>6</b>	The volume of the reserve fund of CBE at the central governing bank is:-	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>7</b>	CBE's provision of loan for every sector is:-	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

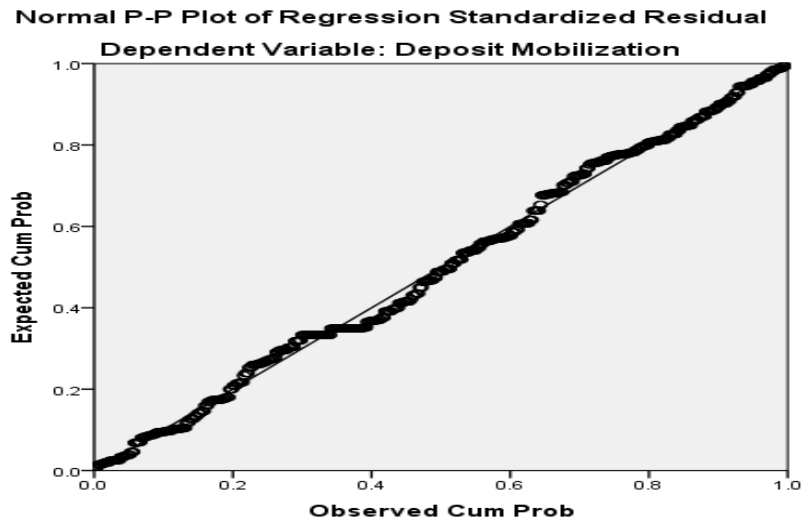
## APPENDIX - TWO

<i>Systematic Simple Random Sample Generator - 386 Random Numbers</i>													
00029	00058	00087	00116	00145	00174	00203	00232	00261	00290	00319	00348	00377	00406
00435	00464	00493	00522	00551	00580	00609	00638	00667	00696	00725	00754	00783	00812
00841	00870	00899	00928	00957	00986	01015	01044	01073	01102	01131	01160	01189	01218
01247	01276	01305	01334	01363	01392	01421	01450	01479	01508	01537	01566	01595	01624
01653	01682	01711	01740	01769	01798	01827	01856	01885	01914	01943	01972	02001	02030
02059	02088	02117	02146	02175	02204	02233	02262	02291	02320	02349	02378	02407	02436
02465	02494	02523	02552	02581	02610	02639	02668	02697	02726	02755	02784	02813	02842
02871	02900	02929	02958	02987	03016	03045	03074	03103	03132	03161	03190	03219	03248
03277	03306	03335	03364	03393	03422	03451	03480	03509	03538	03567	03596	03625	03654
03683	03712	03741	03770	03799	03828	03857	03886	03915	03944	03973	04002	04031	04060
04089	04118	04147	04176	04205	04234	04263	04292	04321	04350	04379	04408	04437	04466
04495	04524	04553	04582	04611	04640	04669	04698	04727	04756	04785	04814	04843	04872
04901	04930	04959	04988	05017	05046	05075	05104	05133	05162	05191	05220	05249	05278
05307	05336	05365	05394	05423	05452	05481	05510	05539	05568	05597	05626	05655	05684
05713	05742	05771	05800	05829	05858	05887	05916	05945	05974	06003	06032	06061	06090
06119	06148	06177	06206	06235	06264	06293	06322	06351	06380	06409	06438	06467	06496
06525	06554	06583	06612	06641	06670	06699	06728	06757	06786	06815	06844	06873	06902
06931	06960	06989	07018	07047	07076	07105	07134	07163	07192	07221	07250	07279	07308
07337	07366	07395	07424	07453	07482	07511	07540	07569	07598	07627	07656	07685	07714
07743	07772	07801	07830	07859	07888	07917	07946	07975	08004	08033	08062	08091	08120
08149	08178	08207	08236	08265	08294	08323	08352	08381	08410	08439	08468	08497	08526
08555	08584	08613	08642	08671	08700	08729	08758	08787	08816	08845	08874	08903	08932
08961	08990	09019	09048	09077	09106	09135	09164	09193	09222	09251	09280	09309	09338
09367	09396	09425	09454	09483	09512	09541	09570	09599	09628	09657	09686	09715	09744
09773	09802	09831	09860	09889	09918	09947	09976	10005	10034	10063	10092	10121	10150
10179	10208	10237	10266	10295	10324	10353	10382	10411	10440	10469	10498	10527	10556
10585	10614	10643	10672	10701	10730	10759	10788	10817	10846	10875	10904	10933	10962
10991	11020	11049	11078	11107	11136	11165	11194						

*Specs: This Table of 386 random numbers were generated in the following manner: Numbers were selected from within the range of 1 to 11,236 by applying Systematic Simple Random Sampling Method after computing the interval value " k". Duplicate numbers were not allowed. This Table was generated on April 20, 2018*

## APPENDIX –THREE

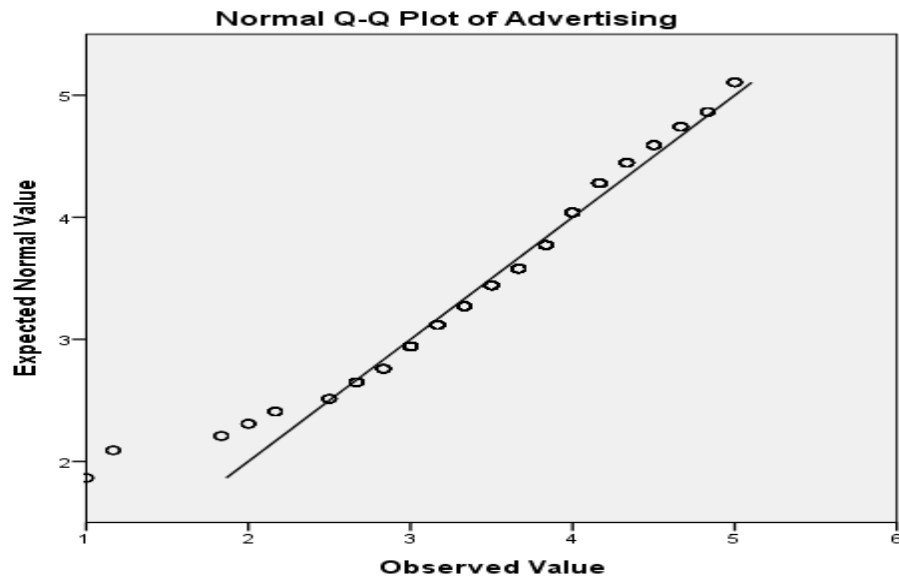
### Normal P-Plot of Regression Standardized Residuals



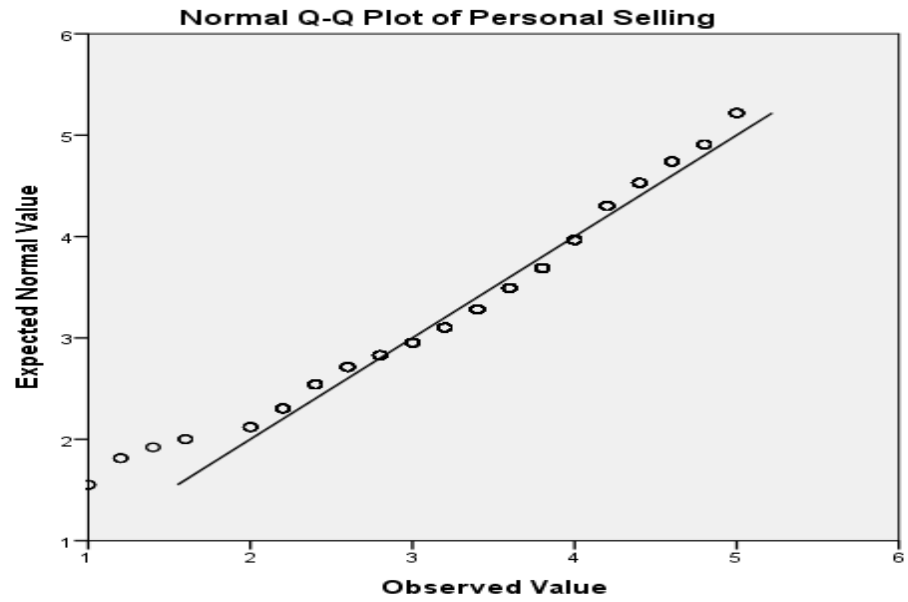
## APPENDIX – FOUR

### Scatter Plot Linearity test for Promotion Mix elements with deposit Mobilization

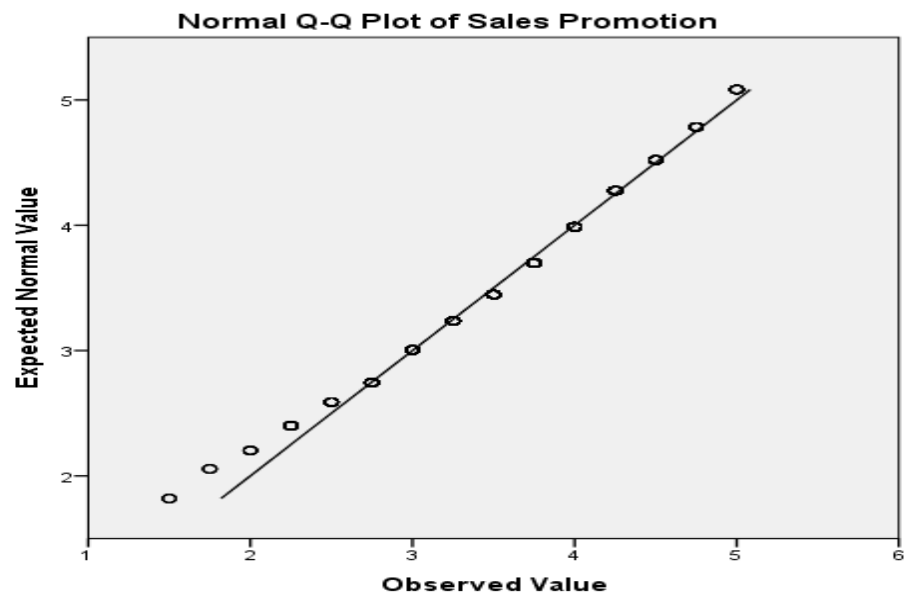
#### Advertising and Deposit Mobilization



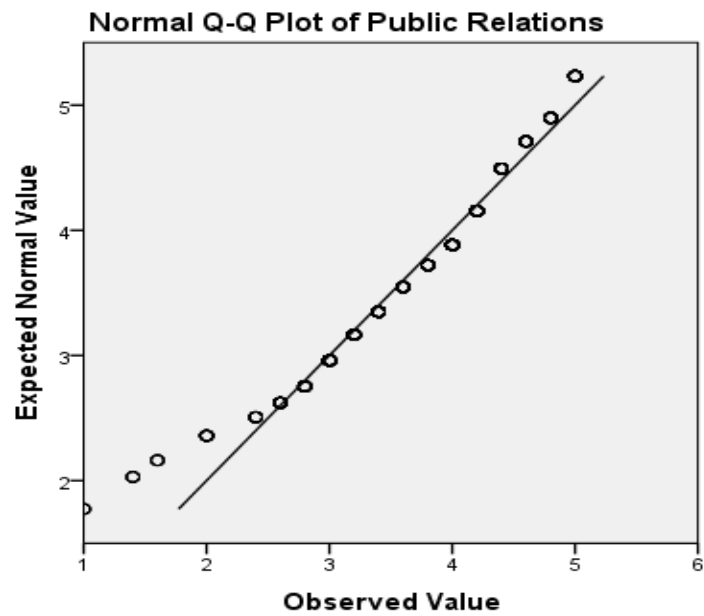
## Personal Selling and Deposit Mobilization



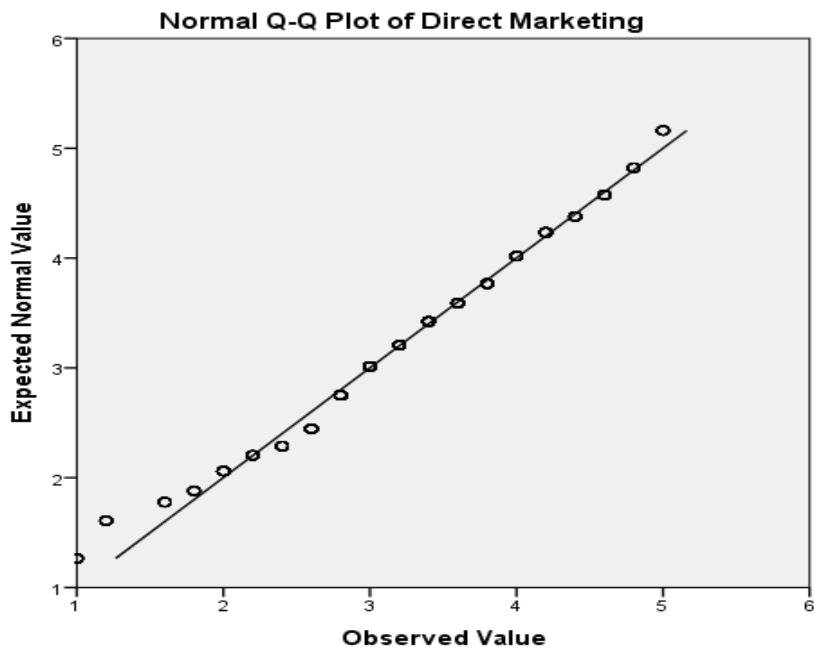
## Sales Promotion and Deposit Mobilization



## Public Relations and Publicity and Deposit Mobilization



## Direct Marketing and Deposit Mobilization



**APPENDIX – FIVE**

**Scatter Plot Homoscedasticity Test for Promotion mix elements and Deposit mobilization**

