



ST.MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

**THE EFFECT OF MARKETING MIX ELEMENTS (7p's) ON BRAND LOYALTY
IN BANKING INDUSTRY**

(A CASE STUDY OF BUNNA INTERNATIONAL BANK S.C.)

BY:

SARA ABRHAM

JUNE, 2019

ADDIS ABABA, ETHIOPIA

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**THESIS SUBMITTED TO SMU SCHOOL OF GRADUATE STUDIES IN PARTIAL
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MASTER OF BUSINESS ADMINISTRATION**

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DECLARATION

I, the undersigned, declare that this thesis entitled “**THE EFFECT OF MARKETING MIX ELEMENTS (7p’s) ON BRAND LOYALTY: A CASE STUDY ON BUNNA INTERNATIONAL BANKS.C.**”Is my original work, prepared under the guidance of my advisor Dr. Gashaw Tibebe All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

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JUNE, 2019

ENDORSEMENT

This thesis has been submitted to St. Mary's University, School of graduate Studies for examination with my approval as a university advisor.

Advisor

St. Mary's University, Addis Ababa

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JUNE, 2019

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Abstract

Marketing mix elements plays a critical role in building brand loyalty. The study conducted the relationship between marketing mix elements on brand loyalty. It is under study in developing countries like Ethiopia regarding the effect of marketing mix elements on brand loyalty. The purpose of the study is to examine the effect of marketing mix/ elements on Brand loyalty in case of Bunna international bank S.C. Convenient sampling was employed to select customers from the sample branches. The finding of the study revealed that five of the marketing mix elements (product, price, promotion, people, and process) have direct and positive significant effect on brand loyalty of the Bank. However, contrary to our expectation, both place and physical evidence failed to ensure a statistically significant effect on brand loyalty. This study contributes to the marketing mix and brand loyalty debate.

Key words: Marketing Mix elements (7 P's), Banking Industry, Brand Loyalty

CHAPTER ONE:

Introduction

1.1 Background of the Study

Every business is established having the aim of achieving success and being profitable. The service industry as any other business sector shares this aim. Services vary in many ways and include various stages. Service delivery is an economic activity that creates value and provides benefits for customer at specific time and place by bringing about a desired change in or on behalf of the recipient of the service (Lovelock and Wirtz, 2004).

The service industry is among the highly dynamic industries as consumers and customers often demands change. These changes further drive the service provision and delivery forward with increasing demand for better service. Unlike product manufacturers who can adjust their machinery and inputs until everything is perfect, service delivery will always vary, depending on the interactions between employees and customers. In a service business, the customer and the front-line service employee interact to create the service. Effective interaction, in turn, depends on the skills of front-line service employees and on the support processes backing these employees. Thus, successful service companies focus their attention on their customers (Kotler and Armstrong, 2012).

In today's highly competitive markets, keeping and maintaining customers and their loyalty is considered as a crucial business (Pourdehghan, 2015). Working on brand loyalty is one of the critical tasks of marketers and bank managements. Theoretically, organizations receive more market from the market through brand loyalty (Yoo, 2008).It was explained that building a solid trademark can be though to fin terms of consecutive stages (Farhana, 2012). Loyal customers are less engaged in decision making, for example, whether to buy a product or service among alternates or not? (Rundle-Theile & Bennet, 2001) or they are willing to pay more for a particular brand? (Reichheld, 1996 & Bennet, 2001) etc. The concept of brand loyalty is comparatively more important for services sector, especially for those who provide

services with little differentiations and compete in dynamic environment (Santouridis & Trivellas, 2010).

The concept of brand and branding becomes ever more important as firms face an increasingly global and competitive marketplace (Uslua et al, 2013). Previous studies demonstrated that brand loyalty enhance success of organizations (Aakar.2010; Suthar et al, 2014). It was recognized that brand loyalty occurs when a customer chooses to continually purchase a product or service from the same company instead of a substitute products/service from a competitor (Suthar et al, 2014). Although there are many factors that affects brand loyalty, it was widely recognized that the major factor is the Marketing mix (Aakar, 2010; Alizade, Mehrani, and Didekhani, 2014). In the process of creating brand, Aaker (2010) noted that brands are created largely by brand loyalty. It was further explained by Aaker that marketing mix elements are very critical in influencing brand loyalty and brand equity. Moreover, Fakhimi et al (2011) argued that marketing mix elements are the major factors in achieving brand loyalty in business organizations. The author explained that the marketing mix is a set of manageable variables that the company can use to influence the buyers responses. The implication here is that the marketing activities are under the power of the bank managers, marketing managers, board of directors and operation managers. If they produce a better strategy the result will attract more customers and develop goodwill to their company, they can invest and do a sound practices. In the marketing literature, it was widely recognized that marketing mixes practices are critically relevant in building brands and improving performance of organizations (Armstrong and Kotler, 2011).

Marketing mixes plays a very important role in putting the brand in the mind of customers and ultimately improves brand loyalty. However, to the best of my knowledge, there is no empirical study on the effect of marketing mix or 7P's on brand loyalty in the banking industry in Ethiopia. This is the focus of the present study.

Banking industry is basically giving different services to customers like credit, deposit in special ways and giving back them only to loan seekers and using the money at the same time for investment purposes. Major objectives of banks are increasing customer awareness on the services, developing corporate image, improving customer service, and its spread,

suggesting that brand loyalty is critical because it plays an inevitable role in service organization (Suthar et al, 2014). Although the 4P marketing mix were widely used in various sectors, the marketing mix with the 7Ps is highly appropriate towards businesses that offer services (Zeithaml & Bitner, 2003). The current study was conducted in service sector particularly, in banking industry.

The banking industry in Ethiopia is becoming more competitive and a numbers of banks are introduced in the industry. In Ethiopia, banks are competing each other to retain and attract more customers by improving their customer service, giving different deposit initiating mechanisms and promotions.

1.2 Back ground of the company

Bunna International Bank S.C. has joined the Banking industry of Ethiopia following the favorable economic developments witnessed in the country during the last decade and the incessantly growing needs for Financial Services. The bank has obtained its license from the National Bank of Ethiopia (NBE) on June 25, 2009 in accordance with Licensing & Supervision of Banking Business Proclamation No. 592/2008 and the 1960's Commercial Code of Ethiopia. The Bank officially commenced its operation on October 10, 2009 with subscribed & paid up capital of 308 Million Birr and 156 Million Birr, respectively. Bunna International Bank S.C. is uniquely established as the largest number of shareholders' bank in the country. It has more than 12,500 shareholders that put the bank on a strong base. The Paid up capital of the bank is more than One Billion Birr. The Bank has 180 branches that are distributed throughout Ethiopia. BIB has deployed more than 50 ATMs and many POS terminals. It continues product and service innovation along with technology adoptions to the satisfaction of its customers. The Bank provides a wide range of financial services including demand deposits, saving accounts, and certificate of deposits, telegraphic or telephone transfers, local drafts, and cashier payment orders.

Its international banking products and services include export transactions, import transactions, foreign currency accounts, forex bureau services, foreign bank guarantees, foreign exchange remittances, and correspondent bank networks.

1.3 Statement of the Problem

In this competitive business environment, brand equity and brand loyalty becomes source of comparative advantage which was achieved through effective marketing mix elements (Alizade, Mehrani, and Didekhani, 2014). The concept of brand is becoming popular theme of study and special point to win over competitors.

Previous researchers examined that marketing mixes have an effect on brand loyalty of service companies (for example Kamau et al, 2015). A company might claim that it is better from any other company in many ways: even in Ethiopia, firms can suggest they are faster, more secure, cheaper, more comfortable, more stable, more intimate, with higher quality, and have better value (Karadeniz, 2009) to imply the marketing mixes in specific terms. Therefore, Companies need to continuously track their brands against the effect of competition, especially in the face of aggressive competition. They should track their progress as to how their brands are doing in the market place and what impact certain market interventions will have on the brand loyalty. Progress can be monitored in terms of the level of purchasing, consumption, brand recognition, brand recall, advertising awareness, among others (Ghodeswar, 2008). The author also argued that this approach will enable brand marketers to assess the effect of marketing campaign in influencing the target consumers, which in turn leads to measure the brand strength.

Brand loyalty of the organization has power to all own marketers to gain competitive advantage (Suthar et al, 2014). They further argued that brand loyalty plays an inevitable role in service organization. Karadeniz (2009) also described that enterprises should also specify which position they want to be such as positioning their product, or positioning their company or combination.

In my literature review, it was observed that few studies were conducted in brand loyalty and service organization. Moreover, there is empirical literature in using all the 7Ps of the marketing mix elements in associating brand loyalty and brand equity with the exception of Aghaeia, Vahedib, Kahrehc, Piroozd (2014). According to the study conducted by Aghaeia et al (2014),it was found that the relationship between services marketing mix and brand equity dimensions such as brand loyalty ,have appositve and direct relationship among even

mix factors and brand equity and its dimensions and furthermore whatever improves variables such as price, product, advertising, place, physical evidence, process and people. So brand loyalty will be promoted too (Aghaeia, et al.,2014).In order to exist in the business for a long period of time, organizations must look for effective and efficient ways of doing business activities to achieve organizational objectives (Potluri,2008).Thus, marketing activities have their role in building brand loyalty in various organizations in different sectors. Within this issue, Potluri (2008) also investigated the relationship between the different promotional mixes and brand loyalty. However, their conclusion indicated that advertising and personal selling of Ethiopian service sector revealed that both these elements are moderately effective in providing information, creating awareness, and changing attitude where as ineffective in building company image and enforcing brand loyalty.

The environment of Banking industry have been experiencing a rapid changes reflected by the intense growth of competition between banks and increased expectation of current and potential customers. As a result the quality of service and maintaining customer based brand equity have been a major challenge for various banks specially in developing countries (Sulieman, 2013).

The effects of marketing mix elements on brand loyalty is understudy topic in the Ethiopian bank sector, at least to the knowledge of the present researcher.

The present research aims to measure of customer-based brand loyalty in banking industry by using a sample of actual bank customers from Addis Ababa and provide insights into the bank brand loyalty phenomena. Also the present study aims to provide some contributions to the area of service branding, which has been slow to develop, and is primarily conceptual in nature. The end results of this research would have a contribution for deep understanding effect of brand loyalty on services as well as some meaningful implications for services marketing management.

1.4 Objectives of the Study

1.4.1 General Objective of the Study

The general objective of the study is to evaluate the effect of marketing mix elements namely (Product, Price, Promotion, Place, People, Process & Physical Evidence) on Brand Loyalty in case of Bunna international bank S.C.

1.4.2 Specific Objectives

- To assess the practices of marketing mix elements (Product, Price, Promotion, Place, People, Process and Physical Evidence) in the case of Bunna international bank.
- To examine the effect of Marketing Mix elements such as Product, Price, Promotion, Place, People, Process and Physical Evidence) on brand loyalty in Bunna international bank.
- To determine the strongest predictor of brand loyalty among the 7P marketing mix elements in case of Bunna international bank.

1.5 Significance of the study

In Today's increasing companies competitiveness the brand of service companies play a major role in differentiating from others. Determining the factors that affect brand loyalty creation and specifying their individual significance in the banking Industry will have a benefit for decision makers and investors. Perceive importance which lies on effect of all marketing mix elements on Brand loyalty in current situations within competitive market helps the decision makers to get more information on how to implement the 7Ps marketing mix elements, and choose a mix of these elements which leads to increasing brand loyalty, and in the end leads to profitability (Alizade et al, 2014). The study will help us to know the most significant rules should we use to attract our customers and be competitive in the market.

1.6 Scope of the Study

The scope of the study is in Bunna international bank customers of different sampled branches. It is clear that, to make this true, all marketing mixes have their own role and hence, the present study included the 7P's i.e. Product, Price, Promotion, Place, People, Process and Physical Evidence. Even within Promotion mixes; advertising through television and word of mouth gets highest priority. This is done because these variables are relatively intended as better which play their roles in improving customer's perception and brand loyalty. Conceptually, the study examined and addressed the 7P's of marketing elements in Bunna international bank brand equity-specifically one of Aaker's (1997) brand equity model element-brand loyalty. Geographically, the study was conducted at Addis Ababa some branches. Methodologically, the study used sample of population and reach at accurate conclusion.

1.7 Definitions of Terms

The current study defines terminologies in relation to the study constructs and research setting

- **A bank** is a corporation or financial institution empowered to accept deposits from the public & creates credit to third parties in return gets the money back with interest and do some other investment.
- **Marketing mix elements** (Hameed Abdulnabi Al-Debi and Ashraf Mustafa, 2014):
 - **Product or Service:** is defined as the extent to which a service delivery companies develop a comprehensive service offer to satisfy customers' needs and requirement in highly competitive industry or market.
 - **Price:** is defined as the extent to which a service delivery organization practices pricing policies and activities in setting a products or services prices.

- Promotion: is defined as the extent to which service delivery companies ‘components of promotion activities and elements in formulating products and services promotions strategies.
- Distribution: is defined as the extent to which a service rendering organization uses distribution strategies, channels and activities in setting products and services distribution strategies.
- People (service providers): is defined as the extent to which service companies who is customer oriented in practice in its business, putting the customers at the heart of activities.
- Physical evidence: is defined as the extent to which a service rendering organization is interested in creating customer friendly, safety, secure and good atmosphere in their environment.
- Process: is defined as the extent to which service provides speedy and efficient service to its customers through different methods and procedures.
- **Brand loyalty:** is “the situation in which a consumer generally buys the same manufacturer originated product or service repeatedly over time rather than buying from multiple suppliers within the category” or “the degree to which a consumer consistently purchases the same brand within a product class”(The AMA definition).

1.8 Organization of the Study

The chapters of this study are organized as follows: In the first chapter back ground of the study and the organization, statement of the problem, objective of the study, significance of the study, scope of the study and definition of terms are presented, second chapter include the theoretical framework . In the third chapter you will find the methodology where the choice of authority and methods for this thesis are presented. In the fourth chapter you will read about the empirical findings of the study. In the fifth chapter a conclusion of the analysis are presented. Here the main results will be highlighted and presented to clarify the main findings.

CHAPTER TWO

Literature Review

2.1. Introduction

In the literature, marketing plays an important role in enhancing performances of business companies including the Bank industry. According to Keelson (2012) the marketing concept as business thinking is outlined from its roots as a business belief where efficient production was the emphasis to the recent perspective which stresses customer needs as a means of long-run business success. In addition, the author pointed out that marketing mix is the vital factor of decision making and evaluations related to markets of profit-making companies so that marketing mix is blend of essential elements for planning and fulfilling whole of marketing operation process. Marketing mix is gathering of manageable tools of marketing which firms are collocated until they response to target market (Yoo et al, 2000). Similarly, Aghaeia (2014) define marketing mix as a result of attempts and activities of management for innovative combination of inter-related activities of marketing which satisfy the need of customer in the best procedure parallel to maximization of benefits’.

The common marketing mix elements such as the product, price, place, and promotion are frequently known as the four P’s which managers have to continuously make decisions regarding them in their efforts to deal with consumer demand(Kamau et al,2015). Marketing know-how can help firms sense and reply to market fluctuations such as competitors’ moves, technological revolution, enable firm organizations to influence the competencies and resources of allies for value formation, simplify firms to predict and anticipate customer unequivocal and latent needs. These, in turn, can help firm organizations to develop both fundamental new products or employ existing products with new characteristics to satisfy both the needs of current customers and new customers to ensure the stability, survivability, and avoidance of shocks from new waves of competition based on new technologies and new value propositions (Saleh, 2015).

It is argued that Brand equity is achieved through an effective application of marketing mix elements and it can help firms to survive in the market place; create a barrier entry and long term profit organizational (Sherafatpour, Asadi, and Yarahmadi, 2017). It is

considered by the authors a set of assets and liabilities associated to a brand, its name and symbol that contributes something to the value provided. The dimensions of brand equity includes brand loyalty, name recognition, perceived quality, brand associations and other brand assets such as patents, trademarks, relationships within distribution channels. According to the authors brand loyalty to given basic group of customer is the core value to a brand. If people buy a brand even comparing it to other competing products with superior features, price and amenities, then there is a substantial value of the brand (Budaca & Baltadora, 2013).

Given the increased number of competitive goods provided from all product classes in the market, and the opportunities presenting themselves alongside, the dimensions of the brand equity have found increasing relevance for the companies in providing the customers with un restricted choices a cross brand industries (Sherafatpour et al,2017).They asserted that brand equity is considered main indicator of brand health; and its uninterrupted revision is very significant in effective brand management. The brands of large businesses survive the attacks from their competition due to the associations they have established with their customers (Yoo et al,2000).Thus, the aim of this inquiry is to present some models clarifying the effect of marketing mix on dimensions of brand equity (Sherafatpour et al.,2017) particularly the brand loyalty. In the following sections review of literature concerning the study variables (the seven marketing mix elements and brand loyalty) are presented.

2.2. Branding and its concept

For centuries brands have been used as a mean for distinguishing the goods of a producer from the others. According to AMA (American Marketing Association), a brand is defined as “a name, term, sign, symbol, or design, or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition” (Keller 1993). A brand adds dimensions to a product in order to “differentiate it from the other products, designed to satisfy the same need”. The aim is to have “branded products” instead of “commodity products”, in order to reduce the dependence from price and to create an alternative basis for differentiation (Aaker 1991). In 1998 de Chernatony and

Riley conducted a study where they identified twelve ways the brand have been considered in different relevant studies: as legal instruments, as a logo, suggests that strong brands are characterized by perceived quality (Aaker and Joachimsthaler 2000; Berry 2000; Biel 1997), perceived uniqueness/differentiation (Berry 2000; Doyle 1990; Young & Rubicam 2001), vivid/rich imagery (Biel 1997) and deep customer relationship (Berry 2000). A strong brand helps in creating a sustainable competitive advantage (Doyle, 1990). It gives to consumer a reason to prefer a brand over another competitor's brand – a reason which cannot be easily copied from other competitors (Barney 1991).

2.3. Brand Loyalty and its importance

“Brand loyalty as a concept has its origins in the 1920s” (Bennett 2001, p.3). The most commonly used definition of brand loyalty is “The biased (non-random) behavioral response (purchase) expressed over time by some decision-making unit with respect to one or more alternative brands out of a set of brands and is a function of psychological processes” (Jacoby 1971, p.25).

Brand loyalty has been conceptualized as a consumer-based construct that is determined both by behavioral response and psychological perception in the current time period, as well as in prior time periods (Dick and Basu, 1994).

Fournier and Yao (1997) described the center of companies’ marketing strategies is the development and maintenance of consumer brand loyalty. The phenomenon is especially seen in markets with tough competition, highly unpredictable and low product differentiation. Carroll and Ahuvia (2006) suggested that Brand love, in turn, is associated to higher levels of brand loyalty and positive word-of-mouth.

Brand loyalty is of paramount importance for marketers and consumer researchers (Aaker, 1991; Reichheld, 1996). In services context, many scholars focused on importance and significance of brand loyalty (Asuncian et al., 2004; Bloamer et al., 1999; Caruana, 2002). Organization that have pool of brand loyalists have greater market share and higher rates of return on investments, in turn (Buzzell et al., 1975; Raj, 1985; Jensen and Hansen, 2006). To

attain such targets, information about variables which causes brand loyalty becomes a core issue.

Anderson et al. (2004) argued a loyal and contented customer base helps to increase the organizations' relative bargaining power regarding suppliers, partners and channels. So, customer loyalty should affect shareholder value in a positive manner by reducing instability and associated risk with expected future cash flows. Dick and Basu (1994) hold a view that customer loyalty creates positive WOM communication (word of mouth) and competitive strategies are resisted by loyal customers. Such findings appeal to strategists and marketers to build and hold strong customer loyalty. Oliver (1999) agreed with Dick and Basu that customer loyalty is engaged in affirmative word of mouth communication. Kotler and Keller (2005) said that "based on a 20-80 principle, the top 20% of the customers may create 80% of profit for a company". Thus a favorable connection between a company and its customers is lucrative for the business.

According to Caceres & Paparoidamis (2007) cited in Abad & Hossein (2012), brand loyalty creates and brings constructive word-of-mouth recommendation for potential customers, and greater resistance from rival. It is widely recognized that loyalty has both attitudinal and behavioral elements. Behavioral components of loyalty refer to the regularity of repeat purchases whereas, Attitudinal components of brand loyalty conveys the psychological commitments related to purchase acts of the customer, such as showing purchase intention and intention to recommend to others (Nam et al, 2011). Therefore, the attitudinal component of brand loyalty is closely associated with the highest intensity of awareness (Odin et al, 2001). Thus, a brand should be able to become the customer's first choices (Attitudinal loyalty), and repeat purchase will follow (Behavioral loyalty). Therefore, loyalty emanates from customer awareness about the product (Fayrene & Lee, 2011).

2.4. Marketing Mix Elements

The classic marketing mix model and the theory of its variables and factors were introduced by McCarthy in 1960. Marketing mix has developed out of the concept of economy, and some of its key assumptions were used as instruments of marketing analysis (Hakansvn and Alvsky, 2005). Traditionally, scholars in marketing research widely employed the 4Ps in their

research. However, the 7Ps are appropriate in satisfying customers need in service sectors (Ivy, 2008). In the theoretical perspective of Yoo et al (2000), it was argued that marketing mix elements first affects dimensions of the brand equity such as brand loyalty, perceived quality, brand awareness and other in turn affects the overall brand equity. In this section, the 7Ps such as product, price, place, promotion, process, people and physical evidence are discussed below.

2.5. Elements of the Marketing Mix

a) Product

A product as defined by Armstrong and Kotler (2006) is anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. As for services, according to Hirankitti, Mechinda, and Manjing (2009) the product offer in respect of services can be explained based in two components: (1) The core service which represents the core benefit; (2) The secondary services which represent both the tangible and augmented product levels. The latter can be best understood in terms of the manner of delivery of the particular service. Ferrell (2005) opines that the product is the core of the marketing mix strategy where retailers can offer unique attributes that differentiates their product from their competitors. According to Borden (1984) product is characterized by quality, design, features, brand name and sizes

b) Price

According to Kotler, Armstrong, Wong, and Saunders (2008), price is the amount of money charged for a product or service, or the total values that consumers exchange for the benefits of having or using the product or service. Due to the intangible nature of services, price becomes a crucial quality indicator where other information is not lacking or absent (Zeithaml, 1981). Price is considered as the most important measurement of repurchase intentions (Oh, 2000; Parasuraman and Grewal, 2000). In deciding to return to the service provider, the customers normally think whether or not they received their value for money (Zeithaml, 1988). It has been proven therefore, that customers usually buy products on the basis of price rather than other attributes (Peter & Donnelly, 2007).

c) Place

This factor is defined by Armstrong and Kotler (2006) as a set of interdependent organizations that caters to the process of making a product available to the consumers. Hirankitti et al., (2009) considers place as the ease of access which potential customer associates to a service such as location and distribution. The strategy of place needs effective distribution of the firm's products among the channels of marketing like wholesalers or retailers (Berman, 1996). An organization should pay attention to place decisions, because of the importance of the product and consumption occurring at the same time and at the same place; a place that provides all information of customer, competition, promotion action, and marketing task. It should pay attention to how it can deliver the product at the right time and at the right place, and which channel should be used to deliver the product (Copley, 2004).

d) Promotion

It is defined as sales promotion, advertising, personal selling, public relations and direct marketing (Borden, 1984) - A decision of how best to relate the product to the target market and how to persuade them to buy it (Lovelock, Patterson and Walker, 1998). A communication program is important in marketing strategies because it plays three vital roles: providing needed information and advice, persuading target customers of the merits of a specific product, and encouraging them to take action at specific times (Lovelock and Wright, 2002). Activities that cater to promotion are advertising, sales promotions, personal selling and publicity; they can all influence consumer's way of thinking, their emotions, their experience as well as their purchasing. Communications should be devised by marketers in such a way that it (1) offer consistent messages about their products and (2) are placed in media that consumers in the target market are likely to use (Munusamy and Hoo, 2008). Promotion is a selling technique; to succeed in any marketing program, it should be involved with communication (promotion). Promotion is very important as it provides information, advice, and it persuades the target market. It guides and teaches the customer to take action at a specific time and how they can use the product and get beneficial result from it. The product advertisement can be delivered by individual sales people, T.V, radio, internet, magazine, press, and all types of media.

e) Personnel

This factor refers to the service employees who produce and deliver the service. It has long been a fact that many services involve personal interactions between customers and the site's employees, and they strongly influence the customer's perception of service quality (Hartline and Ferrell, 1996; Rust, Zahorik and Keiningham, 1996). Personnel are keys to the delivery of service to customers. In addition, according to Magrath (1986) customers normally link the traits of service to the firm they work for. Personnel are also considered as the key element in a customer centered organization as well as a way to differentiate variables with product, services, channel, and image (Kotler, 2000). Achievement of a customer-orientation is not possible if there is no cooperation coming from the personnel (Judd, 2001). The interaction is important because it influences customer perception. In other words, the actions of all the personnel normally influence success of action and function of an organization and with more communication, training, skills, learning, and advice they will achieve to display the optimum value of the product and the company.

f) Process

Process is generally defined as the implementation of action and function that increases value for products with low cost and high advantage to customer and is more important for service than for goods. According to Hirankitti et al., (2009) the pace of the process as well as the skill of the service providers are clearly revealed to the customer and it forms the basis of his or her satisfaction with the purchase. Therefore, process management ensures the availability and consistence of quality. In the face of simultaneous consumption and production of the process management, balancing services demand with service supply is extremely difficult (Magrath, 1986). The design and the implementation of product elements are crucial to the creation and delivering of product.

g) Physical Evidence

This factor refers to the environment in which the service and any tangible goods that facilitate the performance and communication of the service are delivered. This holds great importance because the customer normally judges the quality of the service provided through it (Rafiq & Ahmed, 1995). In addition, according to Mittal and Baker (1998), this factor also

refers to the environment in which the services production is in. Similarly, Bitner (1990) adds that other visible surroundings can affect the impressions perceived by the customers about service quality. The components of the service experience are called the “services-cape”-that is, the ambience, the background music, the comfort of the seating, and the physical layout of the service facility, the appearance of the staff can greatly affect a customer’s satisfaction with a service experience (Rust, Zahorik and Keiningham, 1996). The environmental décor and design also significantly influence the customer’s expectations of the service (Shostack, 1977). Services normally cannot be displayed; therefore firms should create a suitable environment to highlight the fact to the customers (Rathmell, 1974).

2.6. Empirical Literature

Different authors had investigated the relationship between marketing mix elements and brand equity and specifically brand loyalty indifferent sectors and countries. It was recognized that there was a positive relationship between dimensions of marketing mix and brand loyalty as it is indicated in the following paragraphs.

A study conducted by Alizade, Mehrani & Didekhani(2014) on the effect of selected marketing mix elements (Intensity of distribution, Advertisement costs, Image of store, Price and promotion) on dimensions of brand equity and the overall brand equity with mediating role of brand equity in Etkachainstores-Golestan province. The finding of the study revealed that marketing mix elements have direct and significant effect on the dimensions of brand equity such as perceived quality, brand awareness and brand loyalty and in return the dimension affects the overall brand equity. The implication of this study shows that to ultimately achieve brand equity, marketing mix elements first affects the dimensions of brand equity, which are used as mediation role in the link between marketing mix and brand equity. In Nigerian service sector, a study by Kola and Akinyele (2010) carried out are search on the effect of advertising and personal selling indicated moderately effective in providing information, creating awareness, changing attitude, ineffective in building company image and enforcing brand loyalty.

In 2015, Add Pourdehghan studied the impact of marketing mix elements such as price, product, promotion and place on brand equity of mobile service industry. Using structural equation modeling, the finding of the study reveals that the selected marketing mix elements have a positive and significant impact on brand loyalty of the mobile phone provider companies. However, price element doesn't have a direct effect on brand loyalty. He, Li and Harris (2012) in their paper investigated the effect of marketing mix elements on brand loyalty and it was demonstrated a significant and positive effect on brand loyalty. In 2012, a study on the link between marketing mixes practices and destination loyalty through was conducted by Al-Muala and Al-Qurnch(2012) and it was demonstrated that showed product and place were significant on destination loyalty whereas the other marketing mix elements (price, personnel and process) were not significant on destination loyalty. Besides, the finding of this study found that product, place, price, personnel and process have positive and significant effect on satisfaction of customers.

A research by Suthar et al (2014) was conducted with the aim to examine the impacts of marketing mix and customer perception on brand loyalty with reference to Bharat Sanchar Nigam Limited, Vadodara Telecom District. The finding of the study reveals on positive relationship among different dimensions of marketing mix (4Ps) on brand loyalty of Bharat Sanchar Nigam Limited as one of the Cellular Service Providers (CSPs) in Vadodara Telecom District of Gujarat. Still, other researchers (Kamau et al, (2015) examined the effect of marketing mixes elements on brand loyalty of service companies and found a positive effect on brand loyalty.

In Saudi Arabia, Sadiq Sohail (2017) studied the effect of marketing mix elements on brand loyalty by considering only three marketing elements. The result of the study revealed that all the three marketing mix elements (price, promotion and product) affects brand loyalty. In this study, gender difference was considered and it was found that female customers are price sensitive as compared to male customers. Finally, they recommended that future research should be done in developing countries by including more marketing mix elements. Hosseini and Moezzi (2015) conducted a research to relate marketing mix elements with brand equity through their mediation role of dimension of the brand equity such as brand loyalty, perceived quality and brand awareness. The finding of the result

demonstrated that the marketing mix elements have direct effect on brand loyalty and brand equity. But, promotional activities and distribution channel failed to directly relate with brand equity. The implication of this study shows that marketing mix elements should be first relate with the dimensions of brand equity such as brand loyalty and then with brand equity.

Using multiple regressions, data collected from 300 customers, it was found that the marketing mix elements such as price, product, place, promotion and image store have a significant effect on brand loyalty. They also found that research in brand loyalty in the developing countries is very limited. In 2014, a study was carried out by Suthar on the relationship between marketing mix practices and customer perception of brand loyalty. Using the 4P's as a marketing mix practices, it was showed that they are positively related with customer perception of brand loyalty.

2.7. Research Gap

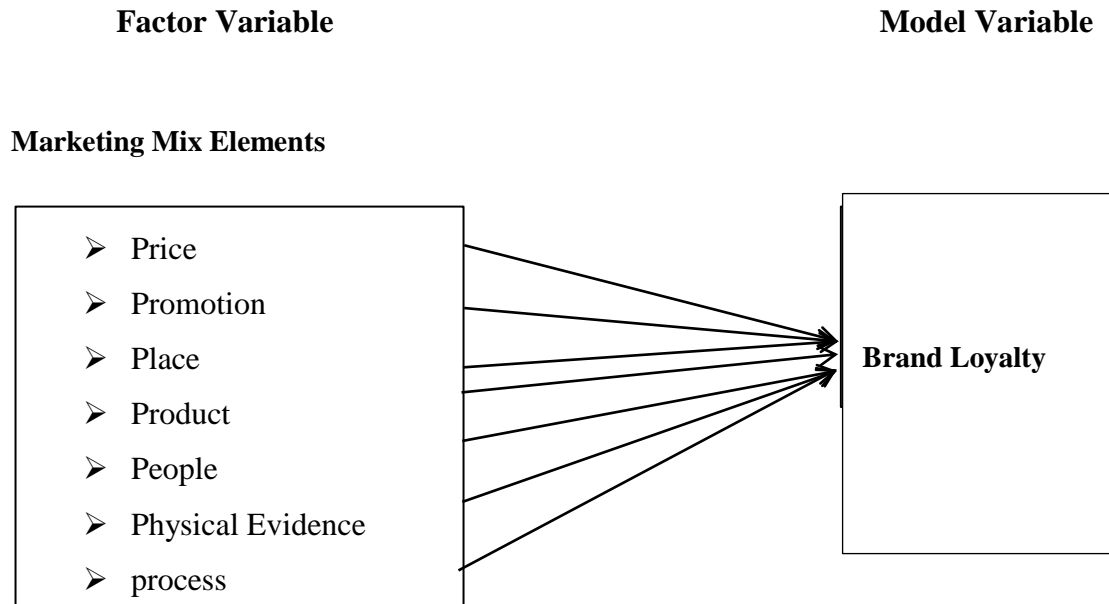
Although several studies were conducted in the relationship between marketing mix elements and brand equity, there is limited attention given to brand loyalty. Scholars (Arokiasamy, 2012; Sohail et al, 2017; Cengiz and Akdemir-Cengiz, 2016) suggested that more research is required in developing countries in linking the relationship between marketing mix elements and brand loyalty. Besides, most of the studies conducted (Suthar et al, 2014; Arokiasamy, 2012; Sohail, 2017) considered only selected few practices (4P's) as marketing mix elements in affecting brand loyalty in the service sectors. Moreover, review of literature by Cengiz and Akdemir-Cengiz (2016) revealed that the majority of studies (55%) on the effect of marketing mix elements on brand loyalty were conducted in USA, UK, Korea, Europe and Australia and few in Asia countries in the last five years. This all indicates that the topic is given much concern recently and marketing mix elements and their effect in developing countries is untouched. Therefore, to fill this research gap, the researcher conducted and tested brand loyalty in the banking industry by considering all the dimension of marketing mix elements (7P's).

2.8. Conceptual Framework

Although most people considers marketing is simple to perform and its relationship is clear with brand loyalty and there is still a service delivery failure/gap in banking industry in understanding and practicing the concept. Most of them see it from one perspective or simple one but there are services that ensure the banks 'competitive advantage. Among the elements of brand equity, According to Aaker, the researcher decided to study the relationship between the dimensions of marketing mix and brand loyalty. Aaker investigated consumers' perceptions on ten selected marketing elements—price, store image, distribution intensity, advertising frequency, celebrity endorsement, price, promotion, non-price promotions, event sponsorship, country-of-origin and word-of-mouth (WOM) recommendation. As it is indicated in the literature review part of this chapter, it was revealed that the marketing mix elements are major factors in influencing brand loyalty and brand equity and that leads to attract and maintain more customers.

The result of Aaker shows that for any economy, brand consumers price, distribution intensity, celebrity endorsement, event sponsorship, non-price promotion, word of mouth and country-of- origin of the brand are important parameters. For consumers of volume brands, advertisement frequency, event sponsorship, and non-price promotion are important, while for premium brand consumers, celebrity endorsement, non-price promotion are the important marketing mix variables influencing their final choice (Chattopadhyay, 2010). Advertising is proxy of customers' direct experiences, and direct marketing mainly bear on the establishment of corporate reputation toward brand loyalty and overall brand equity (Mubushar, Haider & Iftikhar,2013).

The present study assumes that' sound and effective marketing mix elements such as product, price ,place, promotion, process, people and physical evidence enhances brand loyalty in the banking industry.



Source: (Self developed)

Figure 3.1: Proposed Conceptual model.

2.9. Relationship between Product and Brand Loyalty

It was widely recognized that the product/service rendered matters most in the service industry like banks. The ideal goal of service firms is to promote the exact service customers will receive and to provide the exact service customers expect. If firms can match expectations and service, customers are satisfied and then they can build their brand. Some scholars (Harris, 2012; Kamau et al, 2015) found that product directly and positively affects brand loyalty. Customer’s expectation on service can vary but marketing is needed to narrow the service delivery gap. Service firms should deliver their services to the current and potential customers which is the main reason why they established. So it is possible to hypothesize as;

2.9.1. H1: Product/service delivery has positive and significant effect on brand loyalty of banking Industry in Bunna international Bank.

2.10. Relationship between Price and Brand Loyalty

The second important marketing mix element is price. It is believed that fair price helps organizations to attract and maintain customers and lead them to be success filing a complex business environment. Buyers, use price as an index of quality as well as an index of the

sacrifice that is made in purchasing it. Price also implies the cost of product or service usually expressed in monetary terms (Arokiasamy, 2012). Research findings revealed that price have positive effect on brand loyalty (Arokiasamy, 2012; Sohail et al, 2017;Suthar et al, 2014,Pourdehghan, 2015; He, Li and Harris, 2012;Kamau et al,2015).Besides, research results (Al-Debi and Mustafa, 2014;Al-MualaandAl-Qurnch,2012) revealed that price and other marketing mix elements have significant and positive effect on customer satisfaction and loyalty. Based on this empirical evidence, we can hypothesize as follows:

2.10.1. H2; price has positive and significant effect on brand loyalty of banking Industry in Bunna International Bank.

2.11. Relationship between Place and Brand Loyalty

For this specific marketing mix, different study referred refers differently such as distribution, place, and store image and others. For example, Arokiasamy (2012) distribution Intensity and store image and defines store image as customers' "thinking in their mind towards different attributes of primarily marketing mix. Place is essential to create space and environments that remove the customers from their every-day life and provide an experience, which can manipulate feeling through well refined methods. Atmospheres must be engendered that will stimulate appropriate customer feelings and reactions (Mudie & Pirrie, 2006).

In marketing mix literature, several scholars (Arokiasamy,2012;Sohail et al, 2017 Suthar et al, 2014,Pourdehghan,2015;He,Li and Harris,2012;Kamau et al,2015) found that product positively related with brand loyalty. Proper location and accessible to customers matters to attract and maintain customers helps organizations to build brand loyalty. In this case the researcher used the broader name 'place' to refer availability of the bank in the needed area. Based on the above empirical evidences, we can postulate the following hypothesis.

2.11.1. H3; Place has positive and significant effect on brand loyalty of banking Industry Bunna international bank.

2.12. Relationship between Promotion and Brand Loyalty

With the introduction of information technology, organizations can now accumulate a substantial amount of data on customers (Mudie & Pirrie, 2006). In today's dynamic and technological-driven marketing environment, traditional advertising media such as television, radio, magazine and newspaper seem to be losing control on consumers. This changing media landscape brought about by the dynamic marketing environment that forced marketers to re-evaluate how they should communicate with consumers and increase brand loyalty for the firm and to its customers, employing the concept of integrated marketing communications became a promising option. Most similar literatures have focused on price promotion and advertising spending to refer a promotion. In Nigerian service sector, a study by Kola and Akinyele (2010) carried out are search on the effect of advertising and personal selling indicated moderately effective in enforcing brand loyalty. It was widely recognized that sound and effective implementation of promotional activities helps organizations to improve their number of customer and build good will ultimately which enhance brand loyalty of their company. Previous studies (Arokiasamy, 2012; Sohail et al, 2017; Suthar et al, 2014, Pourdehghan, 2015; He, Li and Harris, 2012; Kamau et al. et al, 2015) revealed that promotional activities have positive and significant relationship with brand loyalty. Therefore, it is postulated as follows;

2.12.1. H4; Promotion has positive and significant effect on brand loyalty of banking Industry in Bunna international bank.

2.13. Relationship between Process and Brand Loyalty

Recently, many researchers also considering other three extended P's such as process, people and physical evidence in enhancing brand loyalty in the service organizations. The fifth one is process which is defined as the extent to which a bank or service provides speedy and efficient service to its customers through different methods and procedures (Al-Debi and Mustafa, 2014).The concepts of persistence and process are vital in the marketing

mix as customers may have the first impression based up on the delivery process and persistence depicted by marketers (Hashim and Hamzah, 2014).

It was review that efficient and fast delivery of service without bureaucracy will help banks management to build their brand. Previous studies (Arokiasamy, 2012; Sohail et al, 2017; Suthar et al, 2014, Pourdehghan 2015;He, Li and Harris,2012; Kamau et al,2015) showed that marketing mix practices have direct and positive relationship with brand loyalty.

Al-Muala and Al-Qurnch (2012) demonstrated that showed product and place were significant on destination loyalty whereas the other marketing mix elements (price, personnel and process) were not significant on destination loyalty. Thus, the researcher hypothesizes the following.

2.13.1. H5: Process has a positive and significant effect on brand loyalty of Bank Industry in Bunna International Bank.

2.14. Relationship between People and Brand Loyalty

The people are the sixth element of marketing mix. People (service providers): is defined as the extent, to which service or hospitality organization is customer oriented in practicing its business, putting the guests and customers at the heart of activities. (Al-Debi and Mustafa, 2014).People is the living creature who gives life to the organization. They must be competent, willing and capable to provide service to their customers. In addition, customer-oriented service employees with a focus on showing personal attention, inter-personal care, and willingness to help, politeness, and prompt behavior are likely to contribute significantly to strengthen the customer and employee relationship (Kushwaha et al., 2015).

It is widely recognized that human resources are the major critical factors that affects the performance of organizations. Having equipped and competent resources enable organizations to be productive. Similarly, in the banking industry delivery of quality service will be possible through competent employees. As it was evidences in prior studies (Arokiasamy, 2012; Sohail et al, 2017; Suthar et al, 2014, Pourdehghan, 2015; He, Li and Harris, 2012; Kamau et al, 2015), it was found that marketing mix practices have linkage with brand loyalty of in different setting and industries. This implies that other marketing

mix practices such as people can be linked with brand loyalty. In 2012, a study on the link between marketing mix practices and destination loyalty through was conducted by Al-Muala and Al-Qurnch (2012) found that product, place, price, personnel and process have positive and significant effect on satisfaction of customers. Accordingly, the present study proposed the following hypothesis.

2.14.1. H6: People have a positive and significant effect on brand loyalty of Banking Industry in Bunna International Bank.

2.15. Relationship between Physical Evidence and Brand Loyalty

The seventh marketing mix element, Physical evidence is defined as the extent to which a bank or hospitality organization is interested in creating a customer friendly, safety, secure and attractive atmosphere in their environment (Al-Debi and Mustafa, 2014). Services are often intangible, and customers cannot assess their quality well. So consumers use the service environment as an important proxy for quality. Service environments, related to the style and appearance of the physical surroundings and other experiential elements encountered by customers service delivery sites. Service firms need to manage physical evidence carefully, because it can have a profound impact on customers' impressions (Kushwaha et al. 2015). Other studies (Arokiasamy, 2012; Sohail et al, 2017; Suthar et al, 2014, Pourdehghan, 2015; He, Li and Harris, 2012; Kamau et al, 2015) also provide an empirical evidence that marketing mix elements such as price, promotion, product and promotion have significant and positive effect on brand loyalty. From this empirical research studies, we can also deduce that physical evidence can have a positive effect on brand loyalty. Thus, the current study hypothesis the following:

2.15. 1. H7: Physical evidence has a positive and significant effect on brand loyalty of Banking Industry in Bunna Bank.

Based on the conceptual model developed in section 2.5, there are seven hypotheses developed and tested using multiple regression. The result of the hypothesis testing was

done in chapter four. Table 2.1 illustrates the summary of hypothesis formulated based on the theoretical foundation of Yoo et al, (2000). The main logic here is that marketing mix elements have direct effect on dimensions of brand equity such as brand loyalty and others and then ultimately indirectly effect on brand loyalty through the dimensions.

Table2.1: Summary of Hypotheses formulated

Hypothesis 1	The Product Practice has positive and significant effect on Brand Loyalty
Hypothesis 2	The Price Practice has positive and significant effect on Brand Loyalty
Hypothesis 3	The Place Practice has positive and significant effect on Brand Loyalty
Hypothesis 4	The Promotion Practice has positive and significant effect on Brand Loyalty
Hypothesis 5	The People Practice has positive and significant effect on Brand Loyalty
Hypothesis 6	The Process Practice has positive and significant effect on Brand Loyalty
Hypothesis 7	The Physical Evidence Practice has positive and significant effect on Brand

2.16. Approaches in examining the effects of marketing mix elements on brand loyalty

A review of the literature reveals that there may be two quite distinct approaches to investigating brand loyalty. One appears to estimate the direct role of various determinants on brand loyalty. For example, Yoo et al. (2000) examined the impact of the marketing mix variables on brand loyalty. The other approach focuses on the indirect effect of these determinants on brand loyalty. Since advertising spending affects expectations of product or service quality (Kirmani and Wright, 1989; Moorthy and Zhao, 2000; Yoo et al., 2000), its role should be indirectly linked to brand loyalty suggesting that rather than the advertisement itself, it is how advertising affects customer perception of the firm that is more critical in shaping brand loyalty. This approach raises such issues as, for example: how does the customer view the firm’s advertising; are there other indirect effects of advertising on brand loyalty that may have been overlooked? If advertising spending is related to consumer perceptions of product or service quality and if satisfaction is inextricably linked with brand loyalty, then how does the entire set of these variables relate to each other.

Chapter Three

Research Methodology

This chapter gives highlights about how the methodology of the study. It presents and discuss about the research setting, target population, sampling, pilot study, study measures, data collection and data analysis. It was also discussed about the ethical considerations while conducted this researcher study because the privacy and confidentiality of information collected from the respondents, organizations and other stakeholders matters most, suggesting that these all data gathered helps in producing a better research results

3.1 Research Approach

For this study, the researcher selected seven key variables (service delivery, price, place, promotion, people, process and physical evidence) constitutes the marketing mix that can predict brand loyalty in the banking industry) after reviewing different customer relationship management literature. The researcher used quantitative research approach which can help the researcher to get better understanding of research problems and research questions. According to Creswell (2009), quantitative approaches are appropriate to use for studies that shows relationship between variables.

3.2 Research Design

This study employed Explanatory & descriptive research approach to describe the effect of the dimensions of marketing mixes (Product, Price, Place, Promotion, People, Process and Physical evidence) on brand loyalty in the banking industry & to describe, explain and analyze the evidences regarding cause and effect relationships, the relationship between dependent and independent variables respectively as a result to draw a conclusion and reach at evidential recommendation and suggestions. A causal study's hypothesis is a directional one which predicts that one variable or set of variables (marketing mixes), called "independent variables," will affect another variable or set of variables, known as "dependent variables (brand loyalty)," in a certain way or magnitude.

3.3 Target Population

The target population of the present study was the customers who are selected from the five branches (Bole Medhanialem, Millennium, Main, kazanchis and Olympia) in Addis Ababa on the period between April to May, 2019. At the beginning of the research study, the researcher focused on the five branches. Accordingly, to receive better feedback concerning the research questions, the target population included customers who use the bank regularly. The study depends on customers' perception to examine the effect of marketing mix elements (7P's) on brand loyalty of banks. The sample procedures are discussed below in detail.

3.4 Sampling and Sample Procedures

A sample is a list of frame that is feasible for a source of data of the study. The sample selection process begins by defining the population, which is the group that a researcher wants to study. It is important because the sample needs to represent the population being studied (Kenneth et al., 2014). In Addis Ababa, there are around 67 branches, out of which only five of the branches (Bole Medhanialem, Millenium, Main, kazanchis and Olympia) are selected according to their performance, number of customers and better service as compared to the others. In addition, they have organized professional departments and they are investing more on the marketing mix practices with the objective of building their brand. Regarding the sample size, the researcher calculated the number of respondents following the formula by Krejcie and Morgan (1970).

$$N = \frac{X^2 * N * P (1-P)}{(ME^2 * (N-1)) + (X^2 * P * (1-P))}$$

Where n= sample size

X²= chi-square for the specified confidence level at degree of freedom

N= population size

P= population proportion= (50 in the table)

ME= desired margin of error

Thus, according to Krejcie and Morgan (1970) formula and sample size table the appropriate sample size corresponding to the population of this study was 325 customers & before data collection, Bank managers were approached and discussed about the objective of the study. In this respect, the data collection period was from April to May, 2019 and the researcher got 2000 customers that engaged on import & export business activities and the sample size of this study was based on 325 respondents. For convince reason, the researcher selects 65 respondents equally from each of the five sampled banks through convince sampling method. In conclusion, to examine and validate the effect of marketing mixes on brand loyalty, convenience sampling was employed to choose participants form the sample banks. Accordingly, the questionnaire of this study was distributed to the customers of Bunna international bank who engaged on import export business and generate foreign currencies. The degree of error allowed by the researcher is also critically important in judging the accuracy of the research. A survey that is purported to be accurate to within “plus or minus 10%” indicates a high tolerance of error (Kenneth et al.,2014). Thus, assuming a 95% confidence level, using the study population.

3.5 Measurement scales

This study employed a standardized measurement that was developed and validated in different settings. The survey instrument is based on Likert scale in which the respondent is asked how strongly respondents agree or disagree with a statement or series of statements, usually on a five point rating scale (Saunders et al., 2009). The survey takes the form of questionnaires of closed-ended, with Likert scale format. This Likert scale format was a choice from strongly disagree to strongly agree of the statements which were filled by respondents. Thus, the researcher prepared close ended questions in the form of five point Likert scale (1 = strongly disagree, 2 = disagree somewhat, 3= neither agree nor disagree/neutral, 4 = agree somewhat, 5 = strongly agree) adopted from previous researchers in this field of study. The measurement scales of the study constructs are presented below:

Demographic Variables: The personal characteristics of the respondents were measured with a single question about their gender, age, educational back ground, marital status& employment.

Marketing Mix Elements: The marketing mix elements included in this study were seven (product, price, place, promotion, process, people and physical evidence). They are measured based on the scale developed by Hameed Abdulnabi Al-Debi and Ashraf Mustafa (2014) for marketing mix elements with 35 items consisting of the 7P's which was originally developed by Akroush (2011).

Product is measured with six items. Sample items included are: "The Bank Apply modern technology in the deposit, withdrawal & delivery of information easily. The Bank has good relations with remittance Agencies to facilitate the exchange". **Price** was measured with six items. Sample items included are: "The bank dividend equals to the benefit that you get from the bank .The bank interest rate for fixed deposit is reasonable & attractive". **Place** was also measured with five item. Sample items included are:" Bank have enough branches or found nearby to the customers. The bank have link with other bank system". **Promotion** is measured using five items. Sample of items included are: "The bank uses effective means of promotion. The bank promotes the services and attractive prizes as a means of promotion. The bank allocates promotional budget to support the promotional activity". **People** are measured using five items. Sample included are: "The Bank has a skilled & competent personnel & capable of providing services to customers .The personnel give adequate information about different types of deposit. The Bankers Admit Faults & give directions to problems The bank Personnel Communicate my Subordinates deposit growth help in achieving the business objectives Interims of customer satisfaction bank Personnel Politely Telling Someone They Are in Violation of Your Terms of Use or Policies. Personnel seek to build good relations with the customers based on friendly & respect manner". **Physical evidence** is measured using five items as it is indicated the sample item herewith: "The bank well equipped with modern furniture and other amenities. The bank has good security and safety to the depositors. The Bank has modernized technology that creates confidence in the mind of customers". Finally, the **Process** practices measured using four items as it is indicated: "The bank offers high class quality services in comparison with the competitor banks. The bank offers services like international banks. The Personnel provide honest answers to tough questions".

Brand Loyalty: It was measured based on the works of Yoo, Donthu, and Lee (2000), Yoo and Donthu (2001) and Pappu, Quester, and Cooksey (2005) including five items. The sample items included are: “I say positive things about Bunna Bank to other people. I would continue to do business with Bunna Bank retailer even if its prices increase somewhat. I will not use other banks if Bunna Bank is available”.

3.6 Pilot Study

The present study conducted a pilot study in order to test the appropriateness of the measurement scale in Ethiopian context. Although the measurement scales were validated and build by other scholars in other countries and in different contexts, it is good to conduct pilot study. That is, after deciding to use pilot study, then the final questionnaire was sent to the research advisor for his comments. Finally, two items were excluded as they are beyond the scope of this study.

To evaluate the measurement scale in terms of quantitative aspect, a pilot study was conducted in the sample organizations based on sample of randomly selected 30 respondents. From the 30 questionnaire distributed, five items were excluded and only 25 questionnaires were returned and filled properly. The collected data then, entered, and coded into the latest Statistical Package for Social Science (SPSS) studies version 24 for reliability and understandability of the survey questionnaire. The research questionnaire was checked for item consistence based on Cranach’s alpha test. Hair et al (2010) asserted that the threshold for reliability analysis is greater than or equal to 0.70. In this case, the results of the pilot test indicated that the coefficient alpha of each scale was higher than the minimum requirement of reliability analysis (0.70) as it is illustrated in table 3.1.

Table 3.1: Pilot study of measurement scales

Scales	Number of items	Cronbach's alpha
Product	5	0.881
Price	6	0.827
Place	5	0.735
Promotion	5	0.740
People	5	0.772
Physical Evidence	5	0.741
Process	4	0.896
Brand Loyalty	5	0.810
Marketing Mix Elements	35	0.900
Total	40	

Table 3.1 displays the reliability analysis of study constructs and their sub-scales respectively. The findings of the pilot study demonstrated there is high reliability of the instrument from construct item wise and sub-dimension perspectives. Thus, the result of the pilot study ensured the appropriateness of the measurement instruments in terms of reliability, and data collection procedures. The final measurement scale was established after some minor modifications and wordings from the pilot test and actual data was collected from April to May, 2019.

The questionnaire survey has three parts. Part one is about demographic variables such as gender, age of the respondents and educational level. To gather data for the personal characteristics of the respondents, they were asked a single question regarding their age, gender and the likes whereas the other parts (part two and part three) deals with the variables under investigation part two was about the measurement of the dependent variable (brand loyalty) and part three deals with the measurement of the seven dimensions of marketing mix elements such as price, product, promotion, place, people, process and physical evidence the dependent variable). Accordingly, the measurement instruments of the study variables are described in section 3.6 above.

3.7 Data Collection Procedure

The researcher used both primary and secondary data for the study. Primary data was collected through standard questionnaire whereas secondary data was collected through searching in web sites, books, journal articles and document review to ensure the adequacy or completeness of information. The survey questionnaire was originally in English and then later translated into Amharic language. The data collection process is personally administered through the help of representatives from the sample organizations. Thus, quantitative data is utilized to minimize the subjective judgments and ensure the accuracy of the research.

To conduct questionnaire survey, Then the customers were approached with the focal person of the bank so that they can provide their proper reaction and the participation of respondents in this study was based on willingness. It was assured that their perception and data was kept private and confidential and used only for academic purpose.

3.8 Data Analysis

The procedure of the data analysis process was done through three steps. First, the collected data from the survey questionnaire was transformed into useful information by Statistical Package for Social Science studies. Based on the information entered and coded in SPSS, the researcher performed a preliminary analysis to test the multivariate assumptions such as normality, missing data, outlier, collinearity and auto-correlation.

It is widely accepted that researchers should spend much of their time and effort in data preparation and screening (Kline, 2011). Thus, proper data preparation and screening was done by identifying missing data, outliers, normality, and multi collinearity issues. Second, descriptive statistics was conducted to perform reliability Test, Pearson Correlation Coefficient Analysis and finally Multiple Regression Analysis was done to test hypothesis. For this particular study, multiple regressions is considered as an appropriate multivariate analysis statistical technique which enables the researcher to associate a number of independent variables and their effect on a single dependent variable (Zikmund, 2012).

Based on the study variable under investigation (seven independent variables such as product, price, place, promotion, people, process and physical evidence and one dependent variable, brand loyalty), this study developed a multiple regression equation as it is stated below.

The multiple regression equation used for this study to examine the effect of the seven independent constructs on Brand loyalty was formulated and measured as follows: The data collected from the target population was analyzed using the latest SPSS version 24.

$$BL = a + b_1PD + b_2PR + b_3PL + b_4PM + b_5PE + b_6PS + b_7PH + e$$

Where:

a = constant which would be equal to the mean if all coefficients are zero.

BL = Brand Loyalty

b₁, b₂, b₃, b₄, b₅, b₆ & b₇ = regression weight with each of the independent variables that measures the change in mean of the dependent variable per unit change in their respective independent variable.

PD = Product

PE = People

PR = Price

PS = Process

PL = Place

PH = Physical Evidence

e = Error Term

PM = Promotion

The above equation was used to test the hypothesis formulated. In addition, it also indicates which factor contributes much and has larger effect on brand loyalty. Moreover, regression statistics results also demonstrated about the model fitness of the regression model and the amount of variance explained by the independent variable on the dependent variable.

3.9 Reliability and Validity

For quantitative data analysis, issues of reliability and validity are important. Quantitative researchers endeavor to show that their chosen methods succeed in measuring what they purport to measure. They want to make sure that their measurements are stable and consistent and that there are no errors or bias present, either from the respondents or from the researcher

(Dawson, 2002). The researcher tested the reliability of the questionnaire using Cronbach alpha and before distributing the questionnaire to the respondents, the validity of the instrument was checked by the advisor as to whether it measures what it purported to measure. Accordingly, based on the approval obtained from the advisor, the questionnaire was considered as valid data collection tool. The researcher determines the reliability of this study using Cronbach alpha and reviewing and pretesting the questionnaire items ensure whether the constructs and content validity is significant and acceptable. Furthermore, the individual and joint effect (degree of contribution) of the constructs on the dependent variable was determined using the coefficient of determination (R^2).

3.10 Research Ethics

The researcher was introduced the participants the purpose of the study so that the parties deceive as the researcher stands for. The researcher secures the privacy and confidentiality of the company, its employees and managers and the customer organizations as well, the researcher gives high credit to the sources of this research paper; all authors and so on.

Chapter Four

Results and Discussion of the Findings

4.1 Introduction

This chapter provides detail outlines about both the descriptive and hypothesis testing results of the findings. It presents the overall demographic characteristics of the respondents, the current practices of the seven marketing mix elements (product, price, place, promotion, people, physical evidence and process) in the sample banks. It also present the reliability and correlation result analysis of the study variables. Finally, these chapter discusses about the assessment of the measurement model, evaluation of the structural model and hypothesis testing of the study.

4.2 Response Rate

In this study, the researcher distributed 325 questionnaires in the official language (Amharic) of the country to customers of Bunna international bank selected branches. The researcher with the help of the focal person of the banks under investigations personally distributed the survey questionnaire to the customers available randomly. From the 325 distributed questionnaires, 260 were returned and collected. However, 30 of the questionnaires returned were incomplete and hence rejected from the final analysis. Accordingly, the current study utilized 230 properly filled and completed data for final analysis of the study. The effective rate of return was 75%, which is considered to be a very good in social science survey shown in table 4.1.

Table 4.1 Questionnaire Distribution and Collection

S.No	Branches	Distributed	Collected
1	Main Branch	65	48
2	Bole Medhanialem	65	52
3	Kazanchis	65	45
4	Millinium	65	44
5	Olompia	65	41
	Total	325	230

4.3 Descriptive Statistics

Descriptive statistics are used to describe the basic features of the data in a study and provides summaries about the sample. In this section, the researcher summarized the demographic characteristics of the respondents and the current status of the practices of the marketing mix elements in the sample Bank.

4.3.1 Demographic Characteristics

The demographic variables included in this study are gender, age, occupation, education and marital status which is presented on table 4.2 and 4.3 below. As it is presented in the tables below, the respondents are both male and female and most of them were matured, employed in private organizations, categorized in the middle age level, hold bachelor degree and married.

4.3.1.1 Gender, Age & Marital status of respondents

The finding of the study revealed that the majorities (59%) of the respondents were male and the remaining (41%) were females. As it is illustrated in the table, the maximum number of respondents belongs to the middle age group (36.5%) from 36-45 age; following by the young age group (28.7%) ranging from 26-35 years and the old age group (20.4%) which are above 45 years of age. The rest are categorized under the age group ranging from 18-25 years. This indicates that 66.2% of the respondents involved in the current study are from the age group ranging from 26-45 years. The findings of the study showed that majority of the respondents were married (52.4%). The rest of them were either single (44.35) or divorced (7%).

Table 4.2: Demographic Characteristics of Sample respondents (Survey 2019)

		Frequency	Valid Percent	Cumulative Percent
Gender				
	Male	135	58.7	58.7
	Female	95	41.3	100.0
	Total	230	100.0	
Age				
	18-25 Years	33	14.3	14.3
	26-35 Years	66	28.7	43.0
	36-45 Years	84	36.5	79.6
	>45 Years	47	20.4	100.0
	Total	230	100.0	
Marital status				
	Married	117	50.9	50.9
	Single	105	45.7	96.5
	Divorced	8	3.5	100.0
	Total	230	100.0	

Source: primary data

4.3.1.2 Educational Background and occupation of respondents

The result shows that about 45.7 % the respondents hold bachelor's degree followed by certificate/diploma holders (38.3%).only 6.1% of the respondents were post graduates & high school graduates of 10%. Most of the respondents occupation were categorized under private organizations (31.3%) followed by business person (27.4%) & under categories of students (17.8%) the remaining were either under gov't employment(14.3%) or as unemployed (9.6%).

Table 4.3: Educational background & occupation of Respondents

		Frequency	Valid Percent	Cumulative percentage
Education				
	Secondary School	23	10.0	10.0
	Certificate/Diploma	88	38.3	48.3
	Bachelor Degree	105	45.7	93.9
	MA and Above	14	6.1	100.0
Occupation				
	Government	32	13.9	13.9
	Business Person	63	27.4	41.3
	Student	41	17.8	59.1
	Private	72	31.3	90.4
	unemployed	22	9.6	100.0

Source: primary data

4.3.2. Descriptive Statistics of the scale Items

4.3.2.1. Reliability Result Analysis

In this research the core element of the measurement scale are reliability and validity (Kline, 2011). Reliability is concerned with the consistency of the measurement scale in producing similar results which is measured by Cronbach's alpha. It is widely recognized that the most common measurement of reliability is the Cronbach's alpha, which should be greater than 0.70 as cutoff point (Hair et al, 2010). In this study, Cronbach's alpha reliability test was conducted to validate the reliability of the measurement scale separately as well as the overall measurement scale as it is displayed in table 4.4.

Table 4.4: Reliability test result of the scale items

Scales	Number of items	Cronbach's alpha	Remark
Product	5	0.832	Good
Price	6	0.823	Good
Place	5	0.862	Good
Promotion	5	0.834	Good
People	5	0.848	Good
Physical Evidence	5	0.832	Good
Process	4	0.859	Good
Brand Loyalty	5	0.872	Good
Marketing Mix Elements	35	0.952	Excellent
Overall scale	40	0.959	Excellent

Table 4.4 shows the reliability test result of each variables as well as the overall measurement scale. As it is displayed in the above table, each of the elements of the marketing mix's Cronbach's alpha is above the minimum cutoff point, ranging from 0.823 to 0.872. In addition, the overall reliability of the measurement scale of the constructs is 0.952 which is very high value as per the suggestion of Hair et al (2010). Hence, this study ensured that the measurement scale are reliable and can be entered into the final analysis.

4.3.2.2. Mean and Standard Deviation of the Scale Items

The first objective of the present study is to assess the current practices of each marketing mix elements (product, price, place, promotion, people, physical evidence and process) in the sample Branches. In the current study, the researcher utilized mean and standard deviation to evaluate the perception of the target population regarding the marketing mix element implementation (see table 4.5).

Table 4.5: Descriptive statistics result of the marketing mix elements

Dimension	Statement	Mean	S.D
Product	The Bank offices are spacious and comfortable.	3.48	1.035
	The Bank offers high-class quality services	3.62	.980
	The Bank offers a variety of services meet the wishes of the customers	3.58	.915
	customers feel safe in the Bank	3.54	.955
	The Bank offers mobile & Internet Banking ,CPO Payment system ,ATM card & Cheques for withdrawal services and other complementary services	3.41	1.089
Price	The price equals the quality of the bank services that you receive	3.23	1.033
	The Price equal the benefits that you get from the Bank	3.55	1.000
	Bank services prices are reasonable	3.33	1.034
	The Bank offers excellent prices for the services of ATM,POS	3.27	.979
	The Bank offers seasonal and flexible prices strategy	3.37	.933
	The Bank offers competitive prices in comparison with other competitor banks	3.32	.887
Place	Bunna Bank seeks to apply modern technology in the booking, payment and delivery of information easily.	3.43	.873
	The Bank is interested to cancel the role of intermediaries	3.47	.885

	And to direct contact with customers.		
	The Bank has good relations with remittance agencies to facilitate the exchange.	3.45	.894
	The Bank is linked with Other Banks	3.47	.914
	The Bank has an effective system of electronic payments	3.38	.862
Promotion	The Bank uses effective means of promotion	3.32	.930
	The Bank focuses on Prizes as an effective mean of promotion	3.43	.888
	The Bank has a distinctive brand compared to competitors	3.34	.900
	I can get rich information and data about the Bank from the Internet.	3.41	.846
	I get promotional services from the Bank in comparison with the competitor Banks	3.26	.841
People	The Bank has a skilled and competent personnel and Capable of providing services to customers.	3.35	.949
	Personnel seek to build good relations with the customers based on friendship and respect.	3.52	.870
	I feel that service providers seek to provide excellent services to meet my needs and desires.	3.52	.900
	I feel that the Personnel at the Bank understand service culture.	3.35	.953
	Personnel seek to resolve the problems that I encounter rapidly and satisfactory.	3.53	.895
Physical Evidence	The Offices and furniture of the Bank have gravity and psychological comfort for the customers	3.34	.881
	The bank is equipped with modern, furniture and other amenities.	3.32	.953
	I feel that the material accessories in the Bank reflect a social nature	3.48	.797
	The Bank has security and safety requirements	3.35	.858
	I contribute in keeping up with the good environment of the Bank sharing with the staff to enhance, improve this Modern concept.	3.58	.921
Process	The Bank offers services like the international Banks.	3.49	1.073
	I share the administration and personnel at the Bank to Reach mutual beneficial relations with the customers.	3.67	.978
	The bank offers high-class quality services in comparison with the competitor banks.	3.47	1.014
	The payment and services at the Bank is done conveniently	3.60	1.124

Table 4.5 demonstrates about the descriptive statistics results of the marketing mix elements. As it can be observed from the above table, respondents have generally developed positive perception regarding the practices of the marketing mix elements in the sample Bank. That means that the finding of the current study established a positive perception with respect to product, price, place, promotion, people, physical evidence and process, indicating that perception level is above the cutoff point (3). This shows that the sample Banks are practicing the seven marketing mix elements and their implementation is positively seen by the customers of the respective branches. This indicates that it is an encouraging practice to the Banking industry. This is because, performing the marketing mix practices is critically important in today's competitive business environment. On top of that using the seven marketing mix practices is also good experience unlike the traditional marketing practices (4 P'S). Regarding the standard deviation, the finding of the study as it is displayed in the above table revealed that there is some variation among respondents in perceiving the practices of the marketing mix elements in the sample bank. Specifically, the assessment of the practices of each marketing mix elements are discussed and presented below

Respondents perceived that the Bank Offices have more space and comfortable; the service quality is high; there is more safety for customers and the bank offer different services. This all indicates good signs and shows that the Bank management is exerting more effort to provide better products to their customers. Concerning the pricing practices, respondents perceived positively about the Fairness of the price equals the quality of the bank services that you receive. This study also assess the practices of the place marketing mix in the sample bank. The finding of the study revealed that respondents perceived positively with respect to application of technology for making access to information, booking, minimizing the intervention of intermediaries and use of electronic booking. The respondents also have above average perception scores on the promotional activities of the bank they use. Nevertheless, they negatively perceive about the provision of promotional prices on competitive basis with other similar. It is found that banks lacked to compare their price with other banks and offer relatively better price in comparison with the other competitors.

It was also assessed the current practice of the fifth marketing mix element (people). In this respect, the respondents perceived positively as it is measured with mean. They have positive attitude towards the people that the employees are more or less willing to serve their clients, build smooth relationship, and try to understand what their customers are in need of. Regarding the physical evidence activities, this study assesses that respondents have good sign and shows that the bank management is trying to make the offices to have physical and psychological comfort, and the banks are more or less meet the minimum safety and security requirements. Finally, the current study also addressed the seventh marketing mix element (process) and the finding of the study revealed that respondents rated the convenience and service delivery mechanism above average. It is noted also that the standard deviation of each item demonstrated that although there is some variation among the respondents in perceiving the practices of the seven marketing mix elements in the sample organization, the deviation in perception of the respondents is not that much, indicating that it is good sign and shows that the management of the sample banks are doing great job in implementing sound marketing mix practices.

Overall, the marketing mix practices in the sample bank was moderately higher and the perception of customers towards the service rendered, price of the service, place, the caring way of the staffs of the bank, the effectiveness and efficiency of the bank procedure, and the physical evidence of the bank are above the minimum cut-off points. This is encouraging for the management of the bank and stakeholders in developing their bank. This implies that an effective application of the marketing practices enable banks to increase the number of customers, but with some degree of deviations among customers in perceiving the marketing practices and brand loyalty.

4.4 Correlation Result Analysis

Person correlations coefficient was calculated to find the association among variable. The result of the association of the study variables under investigation is presented below.

Table 4.6: Correlation analysis results

Constructs	PD	PR	PL	PM	PE	PH	PS	BL
Product	1							
Price	.585**							
Place	.709**	.681**						
Promotion	.443**	.583**	.648**					
People	.351**	.397**	.511**	.668**				
Physical	.449**	.490**	.542**	.653**	.648**			
Process	.506**	.454**	.550**	.478**	.543**	.748**		
Brand	.596**	.577**	.632**	.620**	.597**	.661**	.698**	1

** . Correlation is significant at the 0.01 level (2-tailed). PD= Product; PR= Price; PL= Place; PM= Promotion; PE= People; PH= Physical evidence; PS= process and BL= Brand Loyalty.

Table 4.6 shows the person correlation coefficient matrix of the different variables. In order to discuss the strength of the association among the study variables, the value of correlation strength developed by Cohen (1988) was presented as follows (see table 4.10):

Table 4.7: Degree of correlation and the value of r

S.No	Type of Correlation Level	r- value	Significance
1	No correlation	< ± 0.01	No significance
2	Small correlation	± 0 .10 to 0.29	Weakly significant
3	Medium Correlation	± 0.30 to 0.49	Moderately significant
4	Larger correlation	± 0.50 to 1.00	Strongly significant

Source Cohen (1988)

The finding of the correlation analysis revealed that there exists association among the marketing mix elements and brand loyalty at 0.001 level of significance. For example, Product ($r= 0.596$, $p<0.001$) is moderately correlated with brand loyalty. It is also observed that Price ($r= 0.577$, $p<0.001$) has good association with brand loyalty. It was found that the relationship between place and brand loyalty ($r= 0.632$, $p<0.001$) was averagely correlated. Promotion ($r=0.620$, $p<0.001$) is correlated with brand loyalty significantly. It was established that People ($r=0.597$, $p<0.001$) and Physical evidence ($r=0.661$, $p<0.001$) have significant and positive association with brand loyalty. Moreover, Process ($r=0.698$, $p<0.001$) is positively and significantly correlated with brand loyalty. Overall, it was found that process has the highest correlation with brand loyalty as compared to the other

marketing mix elements. In comparison with the Cohen's degree of correlations, it was ensured that the association of the study variables ranges from moderate to strong association between the independent variables and the dependent variable.

Regarding the correlation of the marketing mix among each other, the finding of the correlation analysis demonstrated that there is presence of association between the marketing mix practices. For example, product ($r= 0.585$, $p<0.001$) has moderately associated with price. It has also positive association with place ($r=0.709$, $p<0.01$); promotion ($r=0.443$, $p<0.01$); People ($r=0.351$, $p<0.001$); Physical evidence ($r=0.449$, $p<0.001$) and Process ($r=0.506$, $p<0.001$). It was also revealed that price has strong association with place ($r= 0.681$, $p<0.001$); promotion ($r=0.583$, $p<0.01$); people ($r=0.397$, $p<0.01$); Physical evidence ($r= 0.490$, $p<0.001$) and Process ($r=0.454$, $p<0.001$). Besides, place has strong association with promotion ($r=0.648$, $p<0.01$); People ($r=0.511$, $p<0.001$); Physical evidence ($r=0.542$, $p<0.001$) and Process ($r=0.550$, $p<0.001$). Regarding promotion, it has positive and strong correlations with people ($r=0.668$, $p<0.01$); Physical evidence ($r= 0.653$, $p<0.001$) and Process ($r=0.478$, $p<0.001$). Moreover, the people practice has association with Physical evidence ($r= 0.648$, $p<0.001$) and Process ($r=0.543$, $p<0.001$) and physical evidence with process practice ($r= 0.748$).

4.5 Data Preparation and Screening

This section deals with ensuring the accuracy of the data collected. It involves with entering, coding and checking for any errors and variations. Before going to hypothesis testing, researchers are recommended to deal with data preparation and screening such as missing data, outlier, normality and multicollinearity issues (Kline, 2011). The researcher screened the missing data by case and variable basis and it was found that there is no problem of missing data. The second issue is the problem of outlier. Outliers are extreme observations and can be tested using the Mahalanobis Distance method in SPSS. Accordingly, there is only one outlier found and the researcher retained them because Kline (2005) argued that the presence of few outliers in a fair sample size is insignificant and could be retained. In

addition, Hair et al (2010) asserted that deleting outliers could risk the generalizability of the study result. Thus, based on the above justification, the researcher retained the outliers.

Regarding to the normality of the distribution, it should be tested using different methods. Prominent scholars (Hair et al, 2010; Kline, 2011) posited out that both skewness and Kurtosis are the mechanism to test normality of data. According to Kline (2011), a distribution is said to be normal if the skewness value is less than three (absolute value) and that of kurtosis is less than 10 (absolute value). If the value of both skewness and kurtosis is outside of the range mentioned above, then there is problem of normality. In this respect, based on the skewness and kurtosis result, this study has no problem of normality as it is presented in table 4.8 below.

Table 4.8: Normality test using skewness and kurtosis

Variables	N	Skewness		Kurtosis	
		Statistic	Std. Error	Statistic	Std. Error
Product	230	-.507	.160	-.396	.320
Price	230	-.525	.160	-.341	.320
Place	230	.592	.160	-.668	.320
Promotion	230	-.572	.160	.173	.320
People	230	-.369	.160	-.511	.320
Physical Evidence	230	-.492	.160	-.424	.320
Process	230	-.645	.160	-.247	.320
Brand Loyalty	230	-.636	.160	.048	.320

In addition to the skewness and kurtosis, there are also other mechanisms to check for normality of the data such as the N-N plot and the Histogram. The result of the SPSS version 24 result of both graphs is presented below. As it is shown in figure 4.1 and 4.2, the finding of this study revealed that the data is normally distributed.

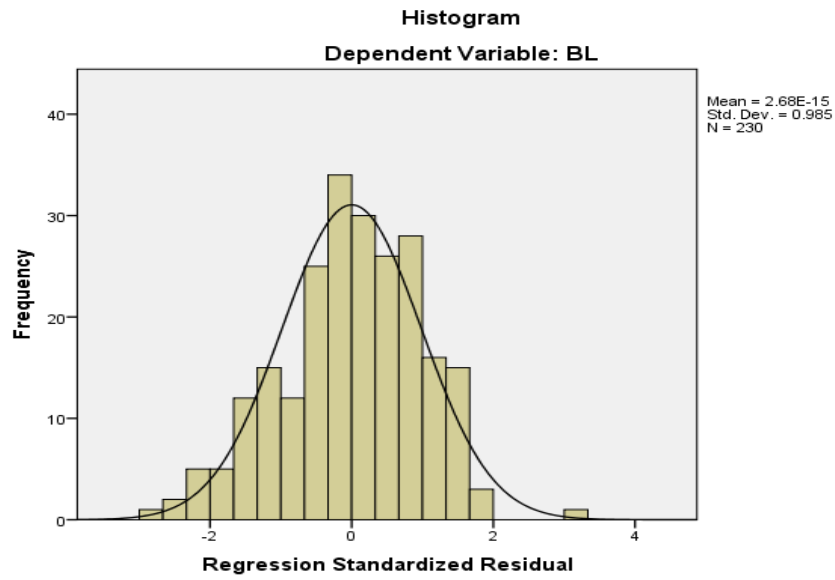


Figure 4.1: Test of normality using Histogram on the dependent variable, Brand Loyalty (BL)

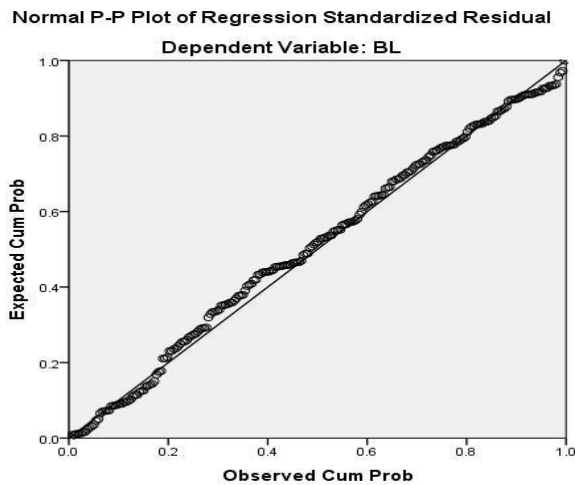


Figure 4.2: Test of normality using N-N plot on the dependent variable, Brand Loyalty (BL)

The other multivariate assumption that should be cleared is the issue of multicollinearity. The issue of multicollinearity can be tested by using Variance Inflation Factor (VIF) and Tolerance Test (Creswell, 2009). It was emphasized by him that VIF value should be below 10 and that of tolerance test be greater than 0.01.

Table 4.9 Collinearity Assessment Result using Tolerable and VIF test

1		Collinearity Statistics	
	Constructs	Tolerance	VIF
	Product	.455	2.198
	Price	.472	2.118
	Place	.314	3.184
	Promotion	.358	2.796
	People	.460	2.176
	Physical Evidence	.310	3.229
	Process	.383	2.612

Source: primary data

Table 4.9 displays the collinearity assessment of the independent variables (product, price, place, promotion, people, process, physical evidence). The findings of this study (**table 4.9**) confirmed that the value of Variance Inflation Factor was below 10 and the value of tolerance test is above 0.01. Thus, there is no problem of multicollinearity issue in the present study. In addition, the correlation analysis discussed above established that there is no problem of collinearity. Once the data is properly prepared and screened by testing the missing data, outlier, normality and multicollinearity issues, the research can assured a better result and outcomes.

In conclusion, the data entry, coding and cleaning stage is the most critical part of the researcher process (Hair et al, 2010). This is because proper data preparation and screening enabled researchers to improve the data accuracy. The data accuracy in turn helps us to produce better research results and minimize errors. Following the preliminary analysis on the appropriateness of the sample data, we can perform model fitness and hypothesis testing. The following section deals with the findings and discussion part of the research study.

4.6 Results and Discussion

4.6.1 Regression Model Fitness

The present study analyzed data using SPSS version 24 by employing multiple regression. Before going to hypothesis testing, we have checked the regression model of this study. As it is indicated in table 4.13, the F-value (=60.195) established to be significant at 5% level of significance (0.000). This implies that the regression model is adequately fit with the sample data.

Table 4.10: ANOVA Table Model

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	94.610	7	13.516	60.195	.000 ^b
	Residual	49.846	222	.225		
	Total	144.456	229			

Source: primary data/survey data 2018/2019

a. Dependent Variable: Brand Loyalty

b. Predictors: (Constant), Process, Price, People, Product, Promotion, Place, Physical evidence

4.6.2 Measures of Sample Adequacy

Regarding to sample adequacy measures, the present study performed Kaiser-Mayer-Olkin (KMO) and Bartlett's test in the SPSS. According to Field (2009), a sample to a study is adequate when the Kaiser-Mayer-Olkin is greater than 0.5 and the Bartlett's test chi-square distribution is significant. The result of the KMO and Bartlett's test (see table 4.14) found to be significant and above the minimum requirement. Accordingly, the sample used in this study is confirmed as adequate.

Table 4.11: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.941
Bartlett's Test of	Approx. Chi-Square	5525.121
	Df	780
	Sig.	.000

Source: primary data/survey data 2018/2019

4.6.3 Overall Model Summary and the Auto-correlation Test

The regression figures in table 4.15 below shows the R Square and Durbin-Watson test result of the overall model. It indicates that (R Square = 0.655) which means that 65.5% of the variation in brand loyalty is explained by the independent variables (marketing mix elements) such as Process, Price, People, Product, Promotion, Place, Physical evidence whereas the remaining percentage is explained by other unknown independent variables.

To validate the auto-correlation, this present study utilized the Durbin-Watson test (Creswell, 2009). As it is indicated in table 4.14, the Durbin-Watson statistics displays that the serial correlation of residual is 1.751 which falls under the normal range (1.5 to 2.5). This signifies that there is no problem of auto-correlation issue in the data.

Table 4.12: Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.809 ^a	.655	.644	.47385	1.751

Source: primary data

a. Predictors: (Constant), Process, Price, People, Product, Promotion, Place, Physical evidence

b. Dependent Variable: Brand Loyalty

4.6.4. Hypothesis Testing

The present study hypothesized and tested seven hypotheses and the result of the regression statistics displayed in table 4.16. The multiple regression analysis result demonstrated that five of the seven marketing mix elements (product, price, promotion, people, and process) have a positive and statistically significant effect on brand loyalty. In terms of contribution to brand loyalty in the particular setting, process was a strong predictor of brand loyalty. Whereas the other remaining two marketing mix elements (place and physical evidence) failed to ensure statistically significant effect on brand loyalty. The detailed discussion was presented below.

Table 4.13: Regression statistics of the Model

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.181	.194		-.933	.352
	Product	.200	.060	.194	3.326	.001
	Price	.129	.062	.119	2.072	.039
	Place	.024	.079	.022	.311	.756
	Promotion	.180	.077	.155	2.351	.020
	People	.164	.064	.148	2.552	.011
	Physical Evidence	.060	.082	.051	.726	.469
	Process	.300	.056	.341	5.348	.000

Source: primary data/survey data 2018/2019

As it is indicated from table 4.13 above, the unstandardized coefficients B column, gives us the coefficients of the independent variables in the regression equation including all the predictor variables as indicated below:

$$BL = -.181 + 0.20PD + 0.129PR + 0.024PL + 0.180PM + 0.164PE + 0.06PH + 0.30PS + e$$

Where:

a = constant

bi = Regression weight

BL = Brand loyalty

PD = Product

PR = Price

PL = place

PM = Promotion

PE = People

PS = Process

PH = Physical evidence

e = Error term

The standardized regression weight (table 4.13) shows the different contribution of the seven marketing mix practices (independent variables) on the dependent variable (brand loyalty). Other things constant, the beta coefficient (regression weight) is the average amount of the dependent variable increases when the independent variables increases by one standard deviation. Thus, product, price, promotion, people and process contribute significantly. However, place and physical evidence failed to contribute to brand loyalty at 5% level of significance.

Hypothesis 1: The Product Practice has positive and significant effect on Brand Loyalty

It was proposed that product as a marketing mix has positive and significant effect on brand loyalty in the bank industry. The finding of the regression analysis revealed that product ($\beta = 0.194, p < .05$). Thus, the hypothesis is accepted. This means that product positively affects brand of banks. It was widely recognized that the product/service rendered matters most in the service industry like banks. The ideal goal of service firms is to promote the exact service customers will receive and to provide the exact service customers expect. This finding is consistent with previous studies (Arokiasamy, 2012; Sohail et al, 2017; Suthar et al, 2014, Pourdehghan, 2015; He, Li and Harris, 2012; Kamau et al. et al, 2015). They found that product has positive and significant effect on brand loyalty. This implies that appropriate service offered to customers' matters most on building brands of banks.

This study shows that provision of better product/service to customers enhances their satisfaction and ultimately shape the level of brand loyalty (Talabi, 2015). If banks have better brand, then it will help them to have more customers. Having more number of customer means the company will have the opportunity to generate more revenue and this all helps to service and become successful in such competitive business environment. Thus, Bank managements has to design and shape the product/service provided to their customers. The product has to properly satisfy the needs and wants of customers.

Hypothesis 2: The Price Practice has positive and significant effect on Brand Loyalty

The second hypothesis was about the significant and positive effect of price practices on brand loyalty. The multiple regression analysis established that price ($\beta = 0.119$, $p < .05$) has a significant and positive effect on brand loyalty, supporting for the hypothesis. This indicates that price is an important marketing mix element to have effect on brand loyalty of banks. Thus, bank Management should do more job in better pricing system such as providing fair price and discounts so that customers can prefer their service.

It is believed that fair price helps organizations to attract and maintain customers and lead them to be successful in a complex business environment. Previous studies (Arokiasamy, 2012; Sohail et al, 2017; Suthar et al, 2014; He, Li and Harris, 2012; Kamau et al. et al, 2015) supported the above results. Besides, research results (Al-Debi and Mustafa, 2014; Al-Muala and Al-Qurnch, 2012) revealed that price and other marketing mix elements have significant and positive effect on customer satisfaction and loyalty. So, bank management should consider a flexible pricing system that helps to upgrade the brand of their bank. They can apply different discounts and payment mechanisms.

Hypothesis 3: The Place Practice has positive and significant effect on Brand Loyalty

The third hypothesis proposed here was that place has positive and significant effect on brand loyalty in the Banking industry. However, contrary to our expectation, the finding of this study revealed that there is no statistically significant effect of place ($\beta = 0.022$, $p > .05$) on brand loyalty in the Banking sector. This indicates that the hypothesis is rejected. This study is in line with previous findings (Pourdehghan, 2015). It was found that there is no direct effect on brand loyalty. This implies that place may not be a big concern for customers while choosing Banks. Even though accessibility of transportation is low, customers may not give much focus to the location of the Bank and place is not statistically significant to affect brand loyalty in this particular study. However, this doesn't mean that place is not important to affect. Other than the traditional 4P's, there is scarcity of research in the area of the extended 3P's which enable as to support or against this study regarding the place element.

Hypothesis 4: The Promotion Practice has positive and significant effect on Brand Loyalty

In this study, the fourth marketing mix element (promotion) was proposed to have a significant and positive effect on brand loyalty in the Banking sector. As it was expected, the finding of this study demonstrated that promotional activities ($\beta = 0.155$, $p < .05$) have positive and significant effect on brand loyalty. This shows that the proposed hypothesis is accepted. This means that proper implementation of promotional activities helps Bank management in building their Bank brand.

This finding is also consistent with previous studies Previous (Arokiasamy, 2012; Sohail et al, 2017; Suthar et al, 2014, Pourdehghan, 2015; He et al, 2012; Kamau et al. et al, 2015). It is shown that sound application of promotional activities at Bank level can positively shape customers perception in building the banks brand and selection. So, management of the Banks can effectively apply different promotional activities such as sales promotion and communicating through different mechanisms such as online internet, newspapers, and magazines through the help of new technologies.

Hypothesis 5: The People Practice has positive and significant effect on Brand Loyalty

The fifth hypothesis deals with the positive and statistically significant effect between the people practices and brand loyalty. The result of the multiple regression analysis shows that the people practices ($\beta = 0.148$, $p > .05$) has a direct and positive effect on brand loyalty of the sample Banks in Addis Ababa. This results supports acceptance of the hypothesis. The finding of this study confirmed that the people practices statistically significant to affect brand loyalty in Addis Ababa. This implies that the people element is so crucial in delivering service. It is the only marketing mix practices that provides services to their customers. Previous studies (see: Al-Debi and Mustafa, 2014) supported the result of this findings. It was found that the people element significantly affects the service level of Banks which ultimately affects customer loyalty.

If Banks have proper personnel with the required skill, knowledge and attitude, then Banks can provide the available service to their customers with proper handling, giving greeting with smile and happiness, which leads better customer satisfaction and loyalty. The presence of satisfied, motivated and committed workers is a source of competitive advantage for service providers like Banks. Thus, Bank managers and the human resource should invest in the human aspect to improve the level of their skill and knowledge in customer handling and customer service provision.

Hypothesis 6: The Process Practice has positive and significant effect on Brand Loyalty

In the present study, it was also proposed that the process practices has a positive and significant effect on brand loyalty of the selected sample Banks. The finding of the study revealed that process ($\beta = 0.341$, $p > .001$) has positive and significant effect on brand loyalty, supporting for the hypothesis. The implication here is the procedure of providing service to customers is believed to have strong effect on building loyalty in the Banking industry. Customers require appropriate services that are simple and user-friendly. The finding of this study was also consistent with previous findings (Al-Debi and Mustafa, 2014; Al-Muala and Al-Qurnch, 2012).

The process element is concerned about the structure and ways how customers will be served with efficiency and productivity. Finding of this study shows the importance of producers in service delivery. Customers are interested to get serviced with simple and friendly process. Bank management and Officers has to work to the maximum interest of their customs. In business, satisfied customers become loyal and can influence other friends and family to choose that Bank or brand. So, working in an efficient, simple and friendly process enhances the Banks in attracting and maintaining customers which in return affects brand loyalty.

Hypothesis 7: The Physical Evidence has positive and significant effect on Brand Loyalty

Finally, it was postulated that physical evidence has positive and significant effect on brand loyalty in the Banking industry. However, contrary to our expectation, the finding of this study revealed that there is no statistically significant effect of physical evidence ($\beta = 0.0s1$, $p > .05$) on brand loyalty in the Banking sector. This result indicates the rejection of the proposed hypothesis.

The implication is that customers don't give priority to physical evidence while choosing banks. the finding of this study failed to show the statistical significant effect of physical evidence on brand loyalty. Other than the traditional 4P's, there is scarcity of research in the area of the extended 3P's which enable as to support or against this study regarding the physical evidence element.

Table 4.14: Summary of Hypothesis Results

Hypothesis	Proposed Hypothesis	Result
Hypothesis 1	The Product Practice has positive and significant effect on Brand Loyalty	Supported
Hypothesis 2	The Price Practice has positive and significant effect on Brand Loyalty	Supported
Hypothesis 3	The Place Practice has positive and significant effect on Brand Loyalty	Rejected
Hypothesis 4	The Promotion Practice has positive and significant effect on Brand Loyalty	Supported
Hypothesis 5	The People Practice has positive and significant effect on Brand Loyalty	Supported
Hypothesis 6	The Process Practice has positive and significant effect on Brand Loyalty	Supported
Hypothesis 7	The Physical Evidence Practice has positive and significant effect on Brand Loyalty	Rejected

The third objective of this study was to identify the strongest predictor of brand loyalty among the marketing mix elements. As it is displayed in table 4.14, this study found that process as the most significant predictor among the seven marketing mix elements. This implies that customers are interested to have service in Banks where there is simple, and

friendly procedures and processes in addition to other service factors. Process is identified as strong predictor of brand loyalty in the Banking industry setting followed by product, promotion, people and price. The ranking and respective contribution of the marketing mix elements was displayed in table 4.14

Table 4.15: Ranking of Marketing Mix Elements and their contribution to Brand Loyalty

Ranking	Independent Variable	Effect
1	Process	.341
2	Product	.194
3	Promotion	.155
4	People	.148
5	Price	.119
6	Physical Evidence	.051
7	Place	.022

Source: primary data

As it is evidenced in table 4.15, the highest predictor among the seven marketing mix element is process. That means the most influential factor was found be the process practices. The Process element of the marketing practices shows the procedure on how the service is delivered to the customers. It is widely recognized that customers don't need complex and bureaucratic system. This is traditional system where organizations provide services to their customers based on the standardized ways which is not acceptable in today's knowledge-based economy. Banks should deliver services with friendly and simple procedure as per the personal requirements of their customers.

The second most influential factor was the product element. The product/service itself also matters in providing an effect on brand loyalty of Banks. It is known that Banks service should be with better quality, the Bank should provide different technologies that make customers feel safe and can use. In addition, bank management should provide variety of services that differentiate their Bank from others and to satisfy their customers.

The third most influential factor identified was promotion. The finding of this study revealed that various promotional tools have a positive and direct effect on brand loyalty of the Bank which is consistent with marketing literature. This implies that sales promotion, providing

information online to customers and provision of promotional prizes when compared to their competitors will help the Bank to build better brand.

Finding of this study also found that people have positive and direct effect on brand loyalty of brands in the Banking industry. It is widely known that the staffs of Banks have direct relationship with the customers. In this respect, customers are expecting friendly approach from the staffs. In the literature, it was found that committed, happy and motivated employees properly handles their customers. In addition, they understand the needs and wants of their customers. So, Banks with competent and equipped workforce definitely build their brand loyalty as compared to their competitors. Price is also identified as the other contributing factor for brand loyalty. The implication is that customers are happy with respect to fair price and providing variety of payment system.

However, physical evidence and place couldn't put a statistically significant effect on brand loyalty. The reason could be due to the service delivery technology usage and due to focus on the brand customers may not give priority for the place and the physical environment of Banks. This implies that customer's focused on the product, price, people, promotion and process of the marketing mix elements in the Banking industry of the study area.

4.7 Summary

This study mentioned three objectives. The first objective was to assess the practices of marketing mix elements in the sample of five branches of the bank. This was answered by evaluating perception of customers through descriptive statistics by identifying the mean and standard deviation. In this respect, customers have positive perception (moderately above average) regarding the practices of the seven marketing mix practices. This is an encouraging for the Bank managers. The finding of the study shows that implementation of marketing practices such as product, price, promotion place, process, people and physical evidence are above the minimum cut-off points (30), suggesting that the Banks are implementing such elements of the marketing mixes.

The second objective of this study was to examine the effect of the seven marketing mix elements on brand loyalty. The regression analysis result shows that five of the marketing mix elements (product, price, promotion, process, and people) have direct effect on brand loyalty whereas place and physical evidence failed to ensure statistically significant effect on brand loyalty.

The third objective of this study was to identify the strongest predictor of brand loyalty in the sample Bank. The finding of the study demonstrated that the highest predictor among the seven marketing mix element is process which is followed by product, promotion, people and price. The summary, conclusion, limitation and future research directions in the marketing mix-brand loyalty research was given in the next chapter.

Chapter Five

Summary, Conclusion, Recommendation and Future Research Directions

5.1 Summary

The research setting of this study was the Banking industry, one of the important parts of the service rendering industry. Although the Bank industry in our country is growing, there are limited studies that examine the contribution of the marketing mix elements in building brand loyalty. It is known that marketing plays an important role in enhancing brand loyalty in Bank industry. To examine the effect of marketing mix elements on brand loyalty, this study was tested and validated in five branches of the bank. The study was based on perception of customers and the respondents were selected using convenient sampling procedures. Data was collected based on standard questionnaires developed by scholars in marketing and it was analyzed using SPSS version 24 and hypothesis testing was made by employing multiple regressions.

Of the 260 respondents involved in this study, the descriptive statistics analysis result revealed that the majority of the respondents were male, self-employed, married, diploma holder and bachelor holders with the age category of 35 to 45 years. In the Marketing mix and brand loyalty debate, the empirical review shows that there is scarcity of studies in this particular topic. In addition, empirical evidences of marketing mix elements on brand loyalty from developing country's context are lacking. Moreover, most of the research works conducted on the foraging relationship was from developed countries such as United States of America, United Kingdom, South Korea, Australia and some developing economies (Asian countries such as India, Malaysia and Turkey).

In this study, 325 questionnaires were distributed to the target population in the selected five Banks. The researcher with the help of the focal person of the banker under investigations, personally distributed the survey questionnaire to the customers available randomly. From the 325 distributed questionnaires, 260 were returned and collected. However, 30 of the

questionnaires returned were incomplete and hence rejected from the final analysis. Accordingly, the current study utilized 230 properly filled and completed data for final analysis of the study. That means the objectives of this study were answered based on the reaction of two-hundred thirty respondents.

Regarding the current practices of the marketing mix elements in the sampled Bank, it was shown that customers have moderately average perception. That means that the finding of the current study established a positive perception with respect to product, price, place, promotion, people, physical evidence and process, indicating that perception level is above the cutoff point (3). About the standard deviation, the finding of the study as it is displayed in the above table revealed that there is some variation among respondents in perceiving the practices of the marketing mix elements in the sample Bank. The finding of the descriptive statistics also confirmed the reliability of the measurement scales and where used in the final analysis. The Pearson correlation coefficient was also revealed that each of the independent variables (product, price, place, promotion, people, process and physical evidence) have a positive and significant association with the dependent variable (Brand Loyalty), ranging from moderately to strongly association. Among the independent variables, the correlation analysis result revealed that they have significant and positive association.

Before going to hypothesis testing, this study performed data preparation and screening with the objective of improving the accuracy of the data. By performing different statistical methods, the researcher tests for missing data, multivariate outliers, normality, multi collinearity and auto-correlation and it was found that this study has no problem of such issues. Then, the regression model fitness and sample size adequacy were also checked. According to the regression model, 65.5% of the variance explained on the dependent variable (Brand Loyalty) was explained and influenced by the independent variables (product, price, place, promotion, people, process and physical evidence) whereas the remaining percentage was affected and explained by other unknown factors.

Using multiple regression, this study tested seven hypothesis and found that five of the seven hypotheses were accepted and the remaining two were rejected. Specifically, the product

element, price, promotion, people, and process have significant and positive effect on the brand loyalty of the bank. However, contrary to our expectation, both place and physical evidence marketing mix elements failed to ensure a statistically significant effect on brand loyalty. This doesn't mean that they have no role in affecting brand loyalty. Finally, this study found that process as the most significant predictor among the seven marketing mix elements.

5.2 Conclusion

The overall objective of the study was to examine the direct effect of the seven dimensions of marketing mix elements on brand loyalty of Bunna international Bank. Using multiple regression analysis, it was found that five of the marketing practices have direct effect on brand loyalty. That is the product; price, promotion, people and process marketing mix elements have direct and positive effect on brand loyalty of the bank. However, contrary to our expectation, both physical evidence and place failed to statistically affect brand loyalty. Place of the market plays great role or matters for a day today activity of business the result shows place does not have positive effect on brand loyalty this might be due to the technological innovations like deploy of ATM (automated machine) to take a money anywhere a machine installed and using mobile banking to transfer cash from account to account and paying bills without going to Banks this may be a reason for the end result of place to fail to affect brand loyalty. From this study we can conclude that brand loyalty plays an important role in providing long-term benefits to banks and hence, Bank management should invest their time, effort, resource and commitment to build sound and effective marketing mix elements.

5.3 Recommendation

The service industry including the bank service is operating its business activities in very competitive and complex business environments. In order to survive and become successful, the researcher recommends the following points to the Bank management and Stakeholders of the Bank based on the findings of the study:

- Much attention should be given to the marketing mix elements. It was widely recognized in the marketing literature that the marketing mix elements plays a very crucial effect on brand loyalty of service organizations. Thus, Bank managers should build an effective marketing mix elements that includes the product, price, promotion, people, process and physical evidence and their implementation should be in accordance with the current business situations and interest of customers.
- It is known that the bank industry is working under the competitive environment. Subsequently, to have a better competitive advantage, bank administration should have an equipped and competent human resource. If banks have a workforce that is motivated, happy and committed in their job, then the bank can attract more customers and retain its existing customers. This will help the bank to build a better brand that is chosen by many customers. The human aspect is the most critical factor as employees have direct connection with the customers. So, the bank administration should invest their time and resource in building an engaged workforce that understand the wants and Interest of the customers and also their bank. This can be done through hiring employees with better knowledge and skill. In addition, the bank should provide training and development opportunity to their employees based on the customer handling and satisfaction perspective
- Attention should also be given to promotional activities such as providing information to customers through different mechanisms. For example, customers should have the opportunity to receive information regarding the bank available in the city. Thus, bank management should develop a user-friendly website that can provide overall information regarding the service and various service activities offered by the bank.
- Banks should recruit a manager that can understand the marketing environment. It is expected that bank managers are very friendly and sociable that can attract customers and have a participatory and achievement oriented type of leadership style. They have to have the ability to understand both the customers and employees interest.
- Banks are also expected to improve their service standard continuously. They should provide service which is appropriate in terms of quality and quantity. This helps them

to attract more customers. This can be done through benchmarking from local and international banks.

- Banks should also give attention to the safety and security of their customers as much as possible. It is widely known that customers prefer banks that secure to use. In addition to the service quality, customers give priority for the safety. In this regard, managers should make their banks as safe as possible. This will be possible through hiring of a trained and dedicated security people who also have good service attitude and cameras in the office for the safety purpose.
- Finally, Bank Managements are expected to offer high class quality service in comparison with the competitor banks and they better upgrade the technology that makes the process of payment & services rendered at the bank convenient.

5.4. Limitation of the study and Future Research Direction

5.4.1 Limitation of the Study

This study is limited only with the customers that engaged on import and export activities. This is for the sake of making the study and results manageable. It will be assumed only to use questionnaire for a data collection method. However it is appropriate to get a combination of theoretical and practical data which can be an input for the accurate results. The study is not about the overall Brand equity such study may be unmanageable at this level thus, it is limited only to the relationship between 7Ps (Product, Price, Promotion, Place, People, Process and Physical Evidence) and brand loyalty. This study is limited to the effect of the marketing mix elements on Brand Loyalty with reference to Bunna international bank selected branches in Addis Ababa.

The study has some limitation like other studies. Second, the data collected was based on small sample size from five branches. Thus, future researchers should conduct an empirical study by considering more sample organizations in different places of the country and comparing with other banks.

The third limitation of this study was the focus on import & export business activity on the specific category of banks. Although this study contributes to the marketing mix literatures,

more investigation is required by expanding such studies into the other service industries. It is also recommended to study the effect of marketing mix elements on brand loyalty of other banks categories. Moreover, to have better view in the industry, a comparison study among the different banks are also important.

Fourth, this study collects and measures the study variables under investigation by considering the perception of customers only. To have wider perspective, considering employees' perception is also important. Thus, future studies that considers both customers and employees' data in the relationship between marketing mix and brand loyalty is required. Fifth, this study focused on the direct effect of the seven dimensions of marketing mix elements on brand loyalty and consider only the 7 variables does not focus on other social, economic and political factors that affect brand loyalty directly or indirectly. Although this study contributes an empirical evidence of the effect of the 7 P's on brand loyalty in developing context, more study is required to examine the indirect effect of marketing mix elements on brand loyalty. For example, the effect of marketing mix elements were significant, but they are not very strong. That means the effect of the statistically significant factors related to brand loyalty were weak and moderate. This implies, the direct effect of the dimensions of marketing mix elements on brand loyalty needs a mediator that will help to strengthen the relationship between marketing mix and brand loyalty. Thus, future studies are required in developing countries in the marketing-brand loyalty debate by examining the indirect effect of marketing mix elements on brand loyalty by introducing mediators such as customer satisfaction, service quality. Finally, the role of leadership is not included in the present study. This is because bank managers plays critical role to make a successful and profitable banks. So, future researchers should consider the leadership styles (autocratic, participatory, achievement oriented) as independent variable in building the brands of their banks.

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Appendix I

QUESTIONNAIRE TO BE FILLED BY CUSTOMERS

Dear Respondents!

First of all my sincere gratitude goes to you. I am working on my thesis for Masters of MBA at the St' Marry University and the title of my research is: "The effect of marketing mix element 7p's on Brand loyalty". The objective of the study is to investigate the effects of market mix on brand loyalty. Your clear and honest responses are important for successful completion of this study. Therefore, I kindly request you to give your answers to each of the item included in the questionnaire.

General Direction

- 1.** No need of writing your name on the questionnaire
- 2.** All the information you give will be kept with utmost confidentiality and will be used only for research purpose
- 3.** The questionnaire has three parts. Following the instructions of each section, read each question carefully and give responses which you personally believe are correct

Thank you in advance for your cooperation!

Part One: Demographic profile of the respondents

Below are some questions to get overall information about respondents and they are requested to choose their status.

1. Gender of Respondents?
 - A. Male
 - B. Female
2. Age of Respondents
 - A. below 20years
 - B. between 20-29 years
 - C. between 30-39 years
 - D. between 40-49 years
 - E. greater than or equal to 50 years
3. Respondent's Occupation?
 - A. Government Office
 - B. Business person
 - C. Student
 - D. Employee of private organization
 - E. Others please specify.....
4. Educational qualification
 - A. Elementary School
 - B. Secondary School
 - C. Certificate
 - D. Diploma
 - E. Bachelor degree
 - F. Master degree and above
5. Marital Status
 - A. Married
 - B. Single
 - C. Divorced

Part Two: Marketing Mix Questions

For each of the following statements below, please indicate the extent of your agreement or disagreement by circling a number from 1 to 5 using the scale below:

1= Strongly disagree, 2= Disagree, 3= Neutral, 4= Agree and 5= Strongly Agree

Dimension	Statement	Scale				
Product	The Bank offices are spacious and comfortable.	1	2	3	4	5
	The Bank offers high-class quality services	1	2	3	4	5
	The Bank offers a variety of services meet the wishes of the Customers	1	2	3	4	5
	customers feel safe in the Bank	1	2	3	4	5
	The Bank offers different services like mobile & internet banking, CPO payment system, ATM card & cheques for withdrawal services and other complementary services	1	2	3	4	5
	The bank offers various events services	1	2	3	4	5
Price	The price equals the quality of the bank services that you receive	1	2	3	4	5
	The Price equal the benefits that you get from the bank	1	2	3	4	5
	Bank service prices are reasonable	1	2	3	4	5
	The Bank offers excellent prices for the services of ATM & POS	1	2	3	4	5

	The Bank offers seasonal and flexible prices strategy	1	2	3	4	5
	The Bank offers competitive prices in comparison with other competitor banks	1	2	3	4	5
Place	Bunna bank seeks to apply modern technology in the booking, Payment and delivery of information easily.	1	2	3	4	5
	The bank is interested to cancel the role of intermediaries and to direct contact with customers	1	2	3	4	5

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	The bank has good relations with remittance agencies to facilitate the exchange	1	2	3	4	5
	The Bank is linked with other banks	1	2	3	4	5
	The Bank has an effective system of electronic payments	1	2	3	4	5
Promotion	The Bank uses effective means of promotion	1	2	3	4	5
	The Bank focuses on prizes as an effective means of Promotion.	1	2	3	4	5
	The Bank allocates a promotional budget to support the promotional activity	1	2	3	4	5
	The Bank has a distinctive brand compared to competitors	1	2	3	4	5
	I can get rich information and data about the Bank from the Internet.	1	2	3	4	5
	I get promotional prices from the bank in comparison with the competitor banks	1	2	3	4	5
People	The Bank has a skilled and competent personnel and Capable of providing services to customers.	1	2	3	4	5
	Personnel seek to build good relations with the customers based On friendship and respect.	1	2	3	4	5
	I feel that service providers seek to provide excellent Services to meet my needs and desires.	1	2	3	4	5
	I feel that the Personnel at the Bank understand service Culture.	1	2	3	4	5

	Personnel seek to resolve the problems that I encounter Rapidly and satisfactory.	1	2	3	4	5
Physical Evidence	The offices and furniture of the Bank have gravity And psychological comfort for the customers.	1	2	3	4	5
	The bank is equipped with modern, furniture and other Amenities.	1	2	3	4	5

	I feel that the material accessories in the Bank reflect a social nature	1	2	3	4	5
	The Bank has security and safety requirements	1	2	3	4	5
	I contribute in keeping up with the good environment of the Bank sharing with the staff to enhance and improve this Modern Concept.	1	2	3	4	5
Process	The Bank offers services like international Banks.	1	2	3	4	5
	I share the administration and personnel at the Bank to Reach mutual beneficial relations with the customers.	1	2	3	4	5
	The Bank offers high-class quality services in comparison With the competitor Banks.	1	2	3	4	5
	The payment and services at the bank is done Conveniently.	1	2	3	4	5

Part Three: Brand Loyalty Questions

For each of the following statements below, please indicate the extent of your agreement or disagreement by circling a number from 1 to 5 using the scale below:

1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree and 5= Strongly Agree

Variable	Statement	Scale				
Brand	I consider myself loyal to the Bank	1	2	3	4	5
Loyalty	The Bank would be my first choice	1	2	3	4	5
	I will not prefer other banks if all the services are available	1	2	3	4	5
	I will visit the Bank again	1	2	3	4	5
	I will suggest the Bank to other friends and customers	1	2	3	4	5