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**ST.MARY'S UNIVERSITY SCHOOL OF  
GRADUATE STUDIES**

**THE EFFECTS OF PROMOTION STRATEGIES ON BANKS  
PERFORMANCE THE CASE OF DASHEN BANK S.C  
(FROM EMPLOYEES PERSPECTIVE)**

**BY:-**

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January, 2020

Addis Ababa, Ethiopia

**ST MARY' S UNIVERSITY**  
**COLLEGE OF BUSINESS & ECONOMICS**  
**MBA PROGRAM**

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PERSPECTIVE)**

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**A THESIS SUBMITTED TO THE SCHOOL OF GRADUATE STUDIES OF ST  
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REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF  
BUSINESS ADMINISTRATION (MBA)**

**2020G.C**

**Addis Ababa, Ethiopia**

## **DECLARATION**

This is to declare that I, **Hanna Bireda** presented research thesis that has been entitled as “**The Effects of Promotion Strategies on Banks Performance the Case of Dashen Bank S.C.**”(From employee perspective) I confirmed that this is my own work for the Partial fulfillment of the requirements for the degree of Master of Arts in Business Administration at St’ Mary’s University with the guidance of research advisor and has not been submitted to this or other universities.

Name of Student: Hanna Bireda

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Place: Addis Ababa, Ethiopia

## **STATEMENT OF CERTIFICATE**

This is to certify that the thesis prepared by Hanna Bireda on the topic “**The Effects of Promotion Strategies on Banks Performances: The Case of Dashen Bank S.C**”(from employees perspective) “Under the supervision of me for the partial fulfillment of the Degree of Master of Arts in Business Administration compiles with the regulation of the University and meets the accepted standards with respect to originality and quality.

Advisor' s Name: ZemenuAynadis (Ass. Prof.)

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Place: Addis Ababa, Ethiopia

## APPROVAL SHEET

The undersigned **boards of examiners certify** that they have read and recommend the research work for the award of MBA General from the St Mary's University.

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## **List of Abbreviation/Acronyms**

SPSS=Statistical Package for Social Science

MCCD= Marketing Corporate Communication Department

AD= Advertisement

SP= Sales Promotion

PS=Personal Selling

PR= Public Relation

DM=Direct Marketing

OP/BP= Organizational Performance/ Banking Performance

## ABSTRACT

*The main purpose of this study was to investigate the Effects of promotion strategies on banks performance in Dashen bank S.C by selecting five branches and the head office. To conduct this study the researcher used mixed research approach. The researcher used both descriptive and explanatory research design. The main data collection instruments were both primary (questionnaires and interviews) and secondary sources. Questionnaires were analyzed through both quantitative (descriptive statistics, Pearson correlation analysis mainly to determine the relationship between independent variables and dependent variable. Multiple regression analysis was conducted to determine the impacts of independent variables on the dependent variable. Reliability test was conducted to measure the degree of consistencies among the measurement variables before the main research is conducted using pilot test from 20 participants, which were not participated, in the main research. Face-to-face interviews were conducted with marketing manager and marketing vice-manager of the bank. The findings of the study show that the mean score for advertisement strategy, sales Promotion, personal selling, Public Relation and direct marketing were used by the bank moderately. This resulted in moderate organizational/ banking performance. Advertisement, sales Promotion, Public Relation and direct marketing have significant and positive relationship with organizational/ banking performance respectively. The findings of the study revealed that the R-squared is estimated to be 0.783. This implies that 78.3%% of the variation in organizational performance is determined jointly by the five promotional strategies (advertisement, salespromotion, personal selling, public relation and direct marketing) is used in this study. The remaining  $(1-0.783=0.217)$  or 21.7% of the variation in organizational performance is explained by variations in other variables that are not included in the model. The findings of the study imply that all independent variables namely, advertisement, sales promotion, personal selling, public relation, and direct marketing are statistically significant different from zero. Therefore, advertisement, sales promotion, personal selling, public relation, and direct marketing have significant effect on organizational/banking performance.*

**Key Words:** *promotion strategy, banking/organizational performance, Dashen bank*

# CHAPTER ONE

## INTRODUCTION

### 1.1. Background of the study

Services are fastest-growing part of world trade & account for the largest share of gross domestic product in almost every country Cheruiyot and Peter (2016). Banks today is a flourishing industry, focused on technological innovation. Banking industry is fast growing with the use of technology in the form of ATMs, online banking, mobile banking etc. Today the concept of banking has made 'Any Where & any time' banking reality. Banks play an important & active role in the economic development of a country. Banking system of any country needs to be effective, efficient & disciplined because it brings about a rapid growth in the various sectors of the economy, (Olusegun (2006),

To understand how banks formulate strategies and its implementation in banking services to be effective in its operation, one must examine banking as service industry. In the content of a swiftly changing environment, redefine marketing strategies to suit a banker's needs, analyze how the marketing of financial services differs from that of other products, identify the tasks involved there in and set forth a series of steps for effective bank marketing. In the banking industry, increased competition threatens the attractiveness of the industry and reduces the profitability of the players in the sector. It exerts pressure on banks to be proactive and to formulate successful strategies that facilitate proactive response to anticipated and actual changes in the competitive environment Njawa (2015).

The government of Ethiopia allowed the establishment of private banks and insurance companies in 1994, but continues to prohibit foreign ownership in this sector. The Ethiopian banking sector is currently comprised of central bank (National Bank of Ethiopia), two government owned banks and eighteen private banks. Currently Ethiopia has allowed some foreign banks to open liaison offices in Addis to facilitate credit to



companies from their countries of origins. Chinese, German, Kenya, Turkish and South African banks have opened Liaison offices in Ethiopia. (Ethiopianmarket, 2009)

Business Promotion is communicating with the public in an attempt to influence them toward buying your product and / or services. Generally we promote our businesses, or products and our services by trying to bring the forefront of our target audience's attention in the hope that they will act as we want them to see our product; want to buy our product. (Shane, 2003).

Sales promotion is the process of persuading a potential customer to buy the product. Sales promotion is designed to be used as a short-term tactic to boost sales – it is rarely suitable as a method of building long-term customer loyalty. Some sales promotions are aimed at consumers; Ndupu, (1987).

Performance measurement is the most important activity of a management's control function. Performance measurement can be done in a systematic way for the entire organization and it might be done temporarily or for a particular purpose. Each organization has its own distinctive reasons to do performance measurement. Organizations usually do performance measurement to determine things, such as determining the needs of customers and seeing if they are able to fulfill their requests or not; improving their knowledge and accuracy for the activities done and finding out what they do not know; seeing if they are successful generally; making sure that the taken decisions are made with facts not with emotions or assumptions; revealing problem fields or determining fields with the development possibility (Shane, 2003). Therefore the performance management plays an important role for organizations to know whether they are doing their activities correctly or not and also it helps to check whether they achieve their objectives or not.

In the early 1990s, the business world brought a holistic approach to the concept of performance. It's recognized as the balanced scorecard and it was an important turning point for performance management. The balanced scorecard is a worldwide accepted management accounting tool which proposed that non-financial performance measurements should also be measured with financial performance measurements, so

institutional performance is measured in a multi-dimensional way which results in a better focusing on the institution's strategies. Radnor and Barnes, (2007)

## **1.2. Background of the Organization**

Dashen Bank Share Company was founded in 1995 and is headquartered in Addis Ababa, Ethiopia. Dashen Bank Share Company provides various commercial banking products and services in Ethiopia. The company offers deposit products, including current, savings, hybrid, modified youth, student, interest plus, and salary accounts; and loan products, such as overdraft, term loans, letter of credit facility, advance on import bills, revolving overdraft, merchandise loans, trade bills discounted, export credit guarantee schemes, and letter of guarantee, as well as agriculture, manufacturing, import/export, trade and services, building and construction, and transport loans. It also provides money transfer services; foreign exchange permits; and foreign currency denominated and other nonresident accounts comprising non-resident foreign currency accounts, non-resident transferable Ethiopian birr (ETB) accounts, non-resident non-transferable ETB accounts, foreign currency accounts for Ethiopians in Diaspora, and retention accounts. In addition, the company offers FOREX services, such as the purchase and sale of foreign currency cash notes and travelers' checks; encashment service of payment cards; and handling western union money transfer service. Further, it provides e-banking services, including debit, credit, salary, and student cards, as well as Internet and mobile banking services, and agency banking services.

The marketing & corporate communication policy states that it supports the banks effort directed at providing services that satisfy target customers' needs and wants, more effectively & efficiently than competitors. The marketing department further strives to communicate with clarity, consistency and integrity the vision, mission, goals, achievements, events, products & services of Dashen bank to customers, staff, shareholders, the media, the public & all other stakeholders in timely, reliable & accurate manner. The bank's MCCD activities are set to achieve the following purposes:

- Build corporate image of the bank
- Segment the market, target profitable customers and position the bank & its offerings
- Organize sales promotion campaigns

- Facilitate personal selling efforts
- Support the creation of internal & external communication tools
- Raise public awareness
- Develop positive public perceptions
- Drive marketing initiatives

According to the bank's M CCP policy Dashen bank may adopt customer segmentation on the basis of demographics, psychographic, behavioral or geographic (at local & regional level) factors. Personal selling efforts shall be targeted at valuable customers identified in the banks customer segmentation strategy. Staffs engaged in personal selling of the bank's products /services shall represent the bank positively and have good knowledge of the banks products & services, related policies & procedures and applicable regulatory & compliance requirements. The policy also states that sales promotion programs shall be carefully designed so that they comply with all applicable laws. Terms & conditions of sales promotion program such as lottery, cash backs, discounts etc. shall be clearly communicated to customers. All aspects of advertising in all media, except procurement & staff recruitment advertising are managed by department of M CCP.

To maintain consistency identity and visual image, it is important that all dashen bank promotional materials share common design and style elements and must be consistent with the printed materials guideline of the bank's brand toolkit. M CCP department coordinates production of all official Dashen bank promotional materials. Promotional materials at corporate level (for example annual reports, newsletters, brochures, stickers, posters, banners, etc) are written, designed & printed by marketing & corporate communication department.

### **1.3. Statement of the problem**

In spite of major changes on the market of financial institutions, there are indications that banks have not yet successfully embraced the marketing philosophy or achieved levels of its implementation consistent with satisfied customers. Financial institutions are realizing that their established promotion practices are inadequate for new market conditions as levels of customer defection in the sector grow. Traditionally, banks have tried to reach

out to everyone in the community, but recent research proposes that banks should aim to identify and serve micro-segments. Radnor and Barnes, (2007)

Meidan (1996); indicates that due to the conflicting ideas concerning the benefits of sales promotions, a financial service organization must base its decisions upon relevance and usefulness of sales promotion, as well as cost-effectiveness; Peatti&Peatti (1994), claim that normally, coupons, special offers and other forms of price manipulation are the dominant forms of sales promotion. However, price-based promotions are difficult and probably dangerous to use for financial service markets. This due to the fact that the price setting of a financial service is already a difficult process, and that consumers often see lower prices as a result of lower quality. However; Meidan (1996), states that sales promotion within financial services appears to be most effectively used in combination with advertising. The primary objectives with sales promotion within financial services are to attract new customers; to increase the level of deposit accounts, thereby increasing the banks share of savings; to increase market share in selected market segments; and to lower the cost of acquiring new customers by seeking to avoid direct price competition with other financial institutions. Much of the banks marketing literature have concentrated on marketing theory more than promotion practice. (Li and Calantone, 2000).

Effective Promotion of financial services is crucial since services are intangible products and it is hard to stand out, considering the fact that all banks offer similar products (Median 1996).

A bank's services are seldom unique and they are easy for competitors to copy (Marquardt, 1994). Additionally, many people cannot make a distinction between different banks services, and they are often not aware of the wide range of different financial services available (Median, 1996). In order to surpass the identical feature of the financial service and get a better market share, sales volume and ultimately Profit, effective promotion is required. Failing to have proper promotion strategy which incorporates segmenting, targeting, positioning and integrated promotion mix elements entails various adverse effects on the institution.

Further to Radnor and Barnes, (2007) suggest that feedback control must be added to a measurement system to make it a management system. Publications related to this area suggest that performance measurement must have an explicit purpose, with Globerson's work for example raising the question of how performance measurement and performance management processes may influence performance, an issue investigated later. Hence statement of the problem of this research paper is to assess effects of Dashen Bank SC's Promotion Strategy on its performance.

#### **1.4. Research Question**

The purpose of this research paper is to gain a better understanding about the effects of promotion strategy relating with its performance by considering the case of Dashen Bank SC. The study intended to answer the following basic research questions.

1. What are promotional strategies used by Dashenbank ?
2. What are importances of promotional strategies on enhancing bank's performance?
3. What is the relationship between promotional strategies and organizational/banking performance in Dashen bank?
4. What are the effects of promotion strategies on the banking performance?

#### **1.5. Research Objectives**

##### **1.5.1. General Objective**

The general objective of this research paper is to assess the effect of promotional strategy on Dashen Bank's performance.

##### **1.5.2. Specific Objectives**

Specifically the study intended to achieve the following objectives.

1. To investigate the nature of promotional strategies in Dashen bank
2. To examine the nature of organizational/banking performance of Dashen bank
3. To investigate the relationship between promotional strategies and organizational/banking performance of Dashen bank
4. To identify the effects of promotional strategies on organizational/banking performance in Dashen bank

## 1.6. Definition of Terms

**Promotion:** promotion is a direct way an organization tries to reach its publics. This is performed through the five marketing mix; advertising, sales promotion, personal selling, public relation and direct marketing. Dauda, (2015).

**Promotion Strategy:** Promotion strategy is direct inducement that offers an extra value or incentive for the product to the sales force, distributors, or the ultimate consumer with the primary objective of creating an immediate sale by using different strategies. Olusegun, (2006).

**Performance management:** Effective performance management is a critical initiative which aims to drive sales transformation or reduce operational costs. Kotler, & Armstrong, (2010).

## 1.7 Significance of the study

As we know the purpose of all research is a search for knowledge and the same is true for this research. In addition the findings of the research will expect to contribute a lot for different stake holders. The research result will become important for the following groups.

**To the selected bank:** the main significance of the study is to find out the various types of promotions strategy and sales performance used by the bank. The result of the study will inform the major problems those exists in Dashen Bank's promotional strategy which could affect bank's performance & it would indicate the least variables to consider while formulating the promotion strategy. The result will also be an input for individuals who are responsible to make promotional strategy of the bank. It can also be used as reference by other researchers and students interested to explore more in the given title.

➤ **To others:** the findings of the research will inspire other researchers to conduct their research knowledge while opening the doors to investigate the roles of promotional strategies towards the performances of private relationship between commercial banks. The study will also be important input for further research on the field. The study will give insight for other researchers who need to investigate research on the roles of promotional strategies towards the performances of private relationship

between commercial banks. Although the research variables are not new, this study will bring new approach on how to create successful organizations through promotion strategies. .

### **1.8. Scope of the Study**

In terms of variables the scope of the study identifies five promotional strategies namely advertisement, sales promotion, personal selling, direct marketing and public relation as independent variable and organizational performance with indicators namely sales volume, market share and profit as dependent variable.

In terms of population the study used employees and managers of Dashen bank who are working in customer service office, marketing department and tellers. In terms of area the study was conducted in Addis Ababa in five branches and head office.

### **1.9. Limitations of the study**

In due process of undertaking this study, there were various factors that hindered, but not prevented from the well achievement of the study and meeting what were the already predetermined objectives of the study. These factors were listed below as a limitation for this study.

Firstly, although there were many marketing strategies the researcher used only promotional strategies and this research limited itself on five promotional strategies advertisement, sales promotion, personal selling, direct marketing and public relation and organizational performance( profit and sales volume).

Secondly, there was a difficulty on getting respondents, since workers of the bank were busy on work .The researcher would mitigated problems by availing in their leisure time was the possible solution that the researcher took.

Thirdly, lacks of secondary data were another limitation of this research.

Fourthly, the study is limited to a single private Bank and the other limitations include lack of similar studies with similar setting and an up-to-date literature in the study areas. All the problems stated above, would have some impact on the result of the study that will call up for other researchers to study further.

## 1.10. Organization of the Study

The research paper is divided in to five chapters.

**Chapter 1** gives the Background information and problem statement. It also highlights the significance of the study, objectives, research questions, scope of the study, limitations of the study, definition of words and organization of the study. .

**Chapter 2** discusses the key concepts that are used in the paper to place the problem in a broader perspective of literature which incorporates theoretical literature, empirical literature and conceptual frame work of the study.

**Chapter 3** concentrates on the research process, research methodology, and research design population and sampling procedure, methods of data collection and methods of data analysis, instrumentation of variables, reliability and validity of the research and ethical consideration.

**Chapter 4** presents the data analysis, findings and discussion of the study.

**Chapter 5**, summaries the main findings, the conclusion and recommendations for the bank and future researcher's.



## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1. Introduction

The importance of literature review is that, what the review should for the researcher, how it links to my research questions, my research methods, my theoretical framework and my findings.

The review of related literature for promotion strategies and organizational performance part encompasses three parts;

**The first part deals** with theoretical literature overview of marketing strategy, overview of promotional strategy, elements of promotional strategy, organizational performance, elements of organizational performance and the effects of promotional strategies on organizational performance.

The second part, empirical studies on the effects of promotional strategies on organizational performance in the banking sectors both in Ethiopia and in the world.

The third part incorporates with the conceptual framework of the study that shows the relationship between promotional strategies and organizational performance.

#### 2.2. Overview of Marketing Strategies

A successful marketing strategy must tell an organization where they would want to be on a long-term basis that is why it is often said that marketing strategy is a continuous process. Marketing strategy is seen as the marketing logic by which the business will hope to achieve its marketing objectives (Shane, 2003).

In the business organization, there is safely no activity where the marketer must not therefore make the right decision about the four components of the marketing mix - price, product, place/distribution and promotion through the employment of marketing strategy. These key components must be coordinated and moved into a unified effective strategy if the product must perform well in the market. It consists of specific strategies for target markets, marketing mix and marketing budget. The recent globalization market has made companies to view the internationalization of their activities and events as a way to remain competitive in the market. Marketing strategy has become a relevant tool in the world for any organization to remain in the competitive market environment and become stronger. (Li and Calantone, 2000).

Marketing strategy can be defined as a plan by a company to differentiate the company to differentiate itself positively from its competitors, using its relative strength to better satisfy customer needs in a given environment (Jain, 2004).

Marketing strategies entails the set of actions designed to achieve competitive advantage and achieve better than average results by intelligent and fact-based selection among alternative leading to such advantage (Shane, 2003). There are diverse definitions of marketing strategy and such definitions reflect numerous perspectives (Li and Calantone, 2000). However, the agreement is that marketing strategy provides the avenue for making use of the resources of an organization in order to ascertain its set goals and objectives. Marketing strategy is defined as a given market area, the proper distribution of resources to support enterprises to win competitive advantage.

Goi (2005) defined marketing strategy as a set of marketing tools that firms utilize to pursue their marketing objectives in the target market; the view which was earlier expressed by (Ogunmokun, and Esther, (2004). Therefore, the function of marketing strategy is to establish the nature, strength, direction, and interaction between the marketing mix- elements and the environmental factors in a specific situation.

According to (Owomoyela, et al, 2013), the purpose of the development of an organization's marketing strategy development is to create, build, defend and maintain its competitive advantage. Managerial judgment is very important in keeping up with environmental ambiguity and uncertainty in strategic marketing. More so, depending on

the nature of business, strategies may have other dimensions as well. At the heart of any business strategy is marketing strategy. Businesses exist to deliver products to the markets to an extent that they serve this purpose efficiently through profit maximization. All these are marketing efforts. The objectives of an organization have to be considered, particularly on customers' satisfaction and increasing their sales volume at profits making.

Challenges are facing companies to seek the best management and marketing strategies, to grow the company's performance and increase shareholders value. Excellent companies are known not only by well-conceived marketing outlining where, when and how the companies will compete but also by their ability to execute the marketing strategy decision option selected (Chris, 2006). Appropriate and effective executed marketing strategies are required to productively guide the deployment of available resources where the company marketing strategy abilities in pursuit of desired goals and objectives (Frances & Stephen, 2006).

### **2.3. Overview of Promotion Strategy**

At the heart of business, nowadays, is the competition to attract consumers' attention towards products or services. Consequently, each producer needs to build a more attractive strategy and action plan than its competitors. One prominent tool of attracting consumers' attention towards products is promotion.

According to Chaharsoughi and Yasory (2012) Promotion strategy is one of the key factors in the marketing mix and has a key role in market success. Promotion strategy is used to ensure that consumers are aware of the products that organization is offering. It is the process of establishing communication relationship between a marketer and its publics. Marketing promotions is quite different from mass communication, in which an organization addresses largely undifferentiated mass audience for noncommercial purpose by such means as press editorials, radio news, and television. Under marketing promotions, an organization would be aiming at a deliberately differentiated audience for a commercial purpose and would employ such means as advertising, personal selling, sales' promotion, publicity and public relations.

Promotion involves disseminating information about a product, product line, brand or company. It is one of the four key aspects of the marketing mix. Adetayo (2006) opined that promotion seeks to inform, remind and persuade target consumers about the organization and its products. He further argued that promotion is often used to help an organization differentiate its products from rivals. A promotion campaign is an inter-related series of promotion activities designed to accomplish a specific objective. The obvious goal of promotion management is to ensure that all the individual elements of promotion mix work together to accomplish the organization's overall promotion activities.

An Organization adopts different processes or strategies to disseminate information about its product, product line, brand or company. These various processes are described as the promotion strategy.

A Promotion strategy can be considered as a process whereby information about the organization's products or services is encoded into a promotional message for delivery to the customer. In effect, firms have a variety of alternative information delivery system available to them, which can be used to construct an appropriate promotional mix strategy. This portfolio of alternative delivery mechanism includes majorly; advertising, personal selling, public relations, publicity, direct marketing and sales' promotions.

Marketing decision makers are increasingly aware of the importance of the shareholder's value maximization, which calls for an evaluation of the long term effects of their actions on product-market response. (Amit and Dominique, 2010).

The quest of the decision makers to determine the influence of their strategic relations with their environment together with having sustained competitive edge in the market has called for the evaluation of the influence of promotional strategy on market share and profitability. Marketing literature to date has focused on the sales results of marketing actions. (Amit and Dominique, 2010).

#### **2.4. Elements of promotional strategy**

Promotion is offered when bank services such as consumer finance are provided through third parties like retailers or automobile distributors. Within banks, incentives are being increasingly offered for superior performance. Many banks now offer bonuses for

meeting sales objectives or other incentives such as contests, free goods and holidays. Promotions attract deal-oriented consumers who are likely to switch banks rather than new long term accounts (Kotler& Armstrong, 2005).

Mittal (2008) notes that promotional strategies adopted by public and private banks in India found out that Public sector banks do not go for innovative strategies of promotion, however they go for interactive marketing through internet but that is not promoted so much like private sector banks. According to Grankvist et al. (2004), Promotional strategies for banking services in Estonia uses all parts of the promotion mix to some extent for promotion of banking services.

According to Kristina (2006), promotional strategies should be designed as per the nature of services to be promoted but does not explain how strategies influence performance of a firm. He mentioned five promotional strategies namely advertisement, sales promotion, personal selling, direct marketing and public relation.

### **2.4.1 Advertising**

According to Abiodium (2011), advertising is a non-personal paid form of “communication about an organization or its product to a target audience through amass broadcast medium by an identified sponsor”. Adewale (2004) state that advertising is a non-personal communication strategy that is directed at target audience through various media in order to present and promotes products, services and ideas. According to Engel (2000), advertising is a strategy used by organizations to inform, remind and persuade customers to purchase a product. It is also used to present product, ideas and reach targeted customers. Advertising is any paid form of non-personal communication about an organization, good, service or idea by an identified sponsor (Berkowitz, Kerin, Hartley and Rudelius, 2000).

According to Olusegun (2006), advertising is used to inform customers an existing product or new product, maintain sales, attract new customers, introduce new packages and achieve a competitive advantage.

### **2.4.2. Personal selling**

Personal Selling is a face to face presentation and promotion of products and services. There is a direct interaction between the firms' sales employees and customers (Thuo, 2008). Personal selling has traditionally been the principal communicable channel in the banking industry, although until recently the concept of selling financial services was very poorly developed. Nevertheless the branch delivery system and the branch manager in particular were seen as the key to client interface (Thuo, 2008).

### **2.4.3. Sales promotion**

Sales promotion consists of short-term incentives to encourage purchase or sales of a product or service (Kotler& Armstrong, 2005). Used in conjunction with advertising or personal selling, sales promotions are offered to intermediaries as well as to ultimate consumers. Coupons, rebates, samples and sweepstakes are a few examples of sales promotions. The advantage of sales promotion is that the short term nature of these programs (such as coupon or sweepstakes with an expiration date) often stimulates sales for sales for their duration. Offering value to the consumer in terms of a cent-off coupon or rebate provides incentives to buy. Sales promotions cannot be the sole basis for a campaign because gains are often temporary and sales drop off when the deal ends (Berkowitz et al., 2000).

### **2.4.4. Direct Marketing**

Direct marketing is a direct communication strategy used by organizations to target their customers thus gets an immediate response. It includes a face to face interaction (Kotler, 2000). Direct mail is the process of sending information about special offer, product, sale announcement, service reminder to target customers. It includes telemarketing, email marketing, catalogue, brochures, newsletters and online marketing (Berry and Wilson, 2004). Through direct marketing an organization is able to collect relevant information about their customers and develop products based on their customers' needs and wants (Lawson, 2008).

Direct marketing is the use of mail, fax, e-mail, or internet to communicate directly with or solicit response or dialogue from specific customers and prospects (Kotler and Armstrong, 2010). Wisdom (2015) conducted study on the impact of e-marketing on

business performance. Findings revealed that use of e-marking has a positive influence on performance.

## 2.5. Concept of Organizational Performance

Performance defined using the 3E: efficiency, efficacy and economies, as forms of manifestation Mathiu, (2016). Thinks that the following three concepts can be associated with performance: efficiency, economies and efficacy. This approach to performance was named by the professor as being the equation of the 3Es, and mathematically, it could be represented as follows: Performance = Efficiency + Efficacy + Economies.

It can be noticed the fact that an entity is successful when it is efficient, effective and economical. Therefore, to be successful means combining all three variables, the combination of which reflects the performance level of an entity. Efficiency consists in either using a quantity given by resources, aimed at the highest level of the achieved results, or reducing the quantity of the used resources with the aim of achieving a predetermined result. Economies consist in providing the means, the necessary resources to performing an activity at the minimum cost. Efficacy is determined by achieving or exceeding the predetermined results to the actual results made throughout the development of the activity. Mathiu,. (2016).

This represents the ability of the enterprise to meet and even exceed the expectations of users of the accounting information (shareholders/associates, clients, suppliers, employees, government) at the same time with reaching the predetermined organizational objectives. An entity reaches efficacy when it manages to improve the way of using all sources which are available and necessary to the development of the activity, performing as well as possible the needs and the requirements of the external partners of the organization. Mathiu, (2016). Sales promotion is very important as it not only helps to boost sales but it also helps a business to draw new customers while at the same time retaining older ones. There are a variety of sales promotional strategies that a business can use to increase their sales, however it is important that we first understand what a sales promotion strategy actually is and why it is so important; (<http://www.studymode.com>).

As the sales promotion strategy of the company increases from time to time the sales performance of the company will increase highly. Because sales promotion is an activity or pressure that we put on our sales person to sell more of the product of the company. This will increase the activity of the company to the better condition. If our company sales promotion is low when compared to our competitors, we can easily be forced to leave the market by our competitors. So they have a positive relationship. However, most organizations don't achieve the level of marketing performance that will yield returns for them, hence some organizations experience sub-optimal or even outright poor marketing performance. As a result, firms get worried about the contributions of their promotion strategies to marketing performance notwithstanding the large budget used to maintain it sometimes. Thus with the notion that trade sales promotion strategies positively correlated with marketing performance, organizations view incompetent trade promotion strategies with serious concerns; ([www.ccsenet.org/ijms](http://www.ccsenet.org/ijms)).

### **2.5.1. Profit**

According to [www.businessdictionary.com](http://www.businessdictionary.com), a profit is a financial gain especially the difference between the amounts earned and amount spent in buying, operating, or producing something. Profit can also be seen as surplus remaining after total cost are deducted from total revenue and the basis on which tax is. Profitability is the primary goal of all business ventures. Without profitability the business will not survive in the long run (Simonson & Winer, 1999). So measuring current and past profitability and projecting future profitability is very important. Profitability is ability of a company to use its resources to generate revenues in excess of its expenses. In other words, this is a company's capability of generating profits from its operations. The other three are efficiency, solvency, and market prospects. Investors, creditors, and managers use these key concepts to analyze how well a company is doing and the future potential it could have if operations were managed properly. The two key aspects of profitability are revenues and expenses (Ambler, Kokkinaki and Puntoni, 2004).

Revenues are the business income. This is the amount of money earned from customers by selling products or providing services. Generating income isn't free, however. Businesses must use their resources in order to produce these products and provide these services. Resources, like cash, are used to pay for expenses like employee payroll, rent,



utilities, and other necessities in the production process. Profitability looks at the relationship between the revenues and expenses to see how well a company is performing and the future potential growth a company might have. There are many reports to use when measuring the profitability of a company, but external users typically use the numbers reported on the income statement. The financial statements list the profitability of the company in two main areas. The first signs of profit show in the profit margin or gross margin usually calculated and reported on the face of the income statement. These ratios measure how well the company is using its resources to generate profits. The second sign of profit isn't really a sign; it's more like the real thing. The income statement always reports the net income at the bottom of the report. This is often the true sign of profitability because it shows external users the total amount of revenues that exceeded the expenses during the period.

### **2.5.2. Sales Volume**

This is the quantity or number of product sold or services provided by a company in a particular period of time. Sales volume can be seen as the volume of goods sold in number or quantity of units during the normal operation.

### **2.5.3. Market Share**

Market share is the percentage of an industry or market's total sales that is earned by a particular company over a specified time period. Market share is calculated by taking the company's sales over a period and dividing it by total sales of the industry over the same period. It can also be described as a percentage of total sales volume in a market captured by a brand, product or company. Market share is said to be a key indicator of market competitiveness that is, how well a firm is doing against its competitors. "This metric, supplemented by changes in sales revenue, helps managers evaluate both primary and selective demand in their market. That is, it enables them to judge not only total market growth or decline but also trends in customers' selections among competitors. Generally, sales growth resulting from primary demand (total market growth) is less costly and more profitable than that achieved by capturing share from competitors. Conversely, losses in market share can signal serious long-term problems that require strategic adjustments. Firms with market shares below a certain level may not be viable. Similarly, within a

firm's product line, market share trends for individual products are considered early indicators of future opportunities or problems (Farris, Neil, Phillip, David 2010).

Research has also shown that market share is a desired asset among competing firms. Experts, however, discourage making market share an objective and criterion upon which to base economic policies (Armstrong and Kesten 2007). The aforementioned usage of market share as a basis for gauging the performance of competing firms has fostered a system in which firms make decisions with regard to their operation with careful consideration of the impact of each decision on the market share of their competitors. It is generally necessary to commission market research (generally desk/secondary research) to determine. Sometimes, though, one can use primary research to estimate the total market size and a company's market share.

## **2.6. Impact of Promotion Mix on Organizational Performance**

Promotion strategy is the use of advertising, sales promotion, personal selling, public relations, and direct marketing to promote organizational products (Czinkota and Ronkainen, 2004). According to Brrassington and Pettitt (2000), promotion is a direct way in which companies communicate their products or services to their target customers. Kotler and Armstrong (2010) assert that promotion is all activities undertaken to communicate and promote products or services to the target market. According to Kotler (1999), promotional mix includes advertising, sales promotions, personal selling and publicity. It was revealed that marketing managers should determine what combination of promotion mix will make effective promotion programs hence increase in sales. Aliata, Odondo, Aila, Ojera, Abong, and Odera (2012) in their research on influence of promotional strategies on banks performance. It was revealed that there was a positive relationship between promotional strategies and bank performance. However, a research conducted by Oyewale (2013) on impacts of marketing strategy on business performance findings revealed that promotion has no positive significant effect on business performance

## **2.7. Empirical Studies**

Study on the effect of promotional strategies on performance revealed a positive correlation between promotional strategies and sales performance. Alphonse, Victor, Fredrick, Patrick, Beatrice, and Odhiambo, (2012). It was reported that at 5% level of

significance, there was positive relationship between the promotional strategies and profits because as the costs on the promotional strategies increased so did the profits.

Grankvist, Kollberg, Peterson, (2004) in their study in which they focused on promotional strategies for banking services, concluded that all elements of promotion mix were used to some extent for promotion of banking services. This view was supported by Ananda&Murugaiah (2003) who carried out similar study on financial industry and recognized the importance of promotional strategy in influencing performance in the sector. In his finding, Kristina (2006) recommended that promotional strategies should be designed as per the nature of services to be promoted. The impact of promotional strategy was further noted by when he opined that promotion attract deal oriented consumers who are likely to switch banks rather than new long accounts.

Chalarsoughi and Savory (2012) in the study on effect of sales promotion as a tool on customer attention to purchase concluded that introducing Khodro's products through sales' promotion attracts customer's attention to purchase. 50% of the participant selected the agreement choice believing that sales' promotion will bring about customers attention and promotion of selling.

Njawa (2015) in his research on the effects of advertising on organizational performance: Case study of Tigo telecommunication network junior. The finding revealed that advertising has a significant influence on organizational performance.

Dauda (2015) conducted a research on effect of advertising on the sales revenue and profitability of selected food and beverages firms in Nigeria. It was revealed that there was a positive and significant relationship between advertising and firm profitability. However, that study also revealed that there was no positive significant relationship between advertising expenses and sales revenue of the companies.

Hiroki and Ashok (2011) conducted a research on use of direct marketing strategies by farmers and their impact on farm business income. Findings revealed that direct marketing does not have an impact on farm business income. Chiang, Chhajed and Hess (2003) researched on direct marketing, indirect profits. It was revealed that use of direct marketing increases the flow of profit through retailers and it also helps manufacturers improve their profitability. However, a researched done by Arnold and Tapp (2001) on

research on the effects of direct marketing techniques on performance indicated that direct marketing has an effect on performance.

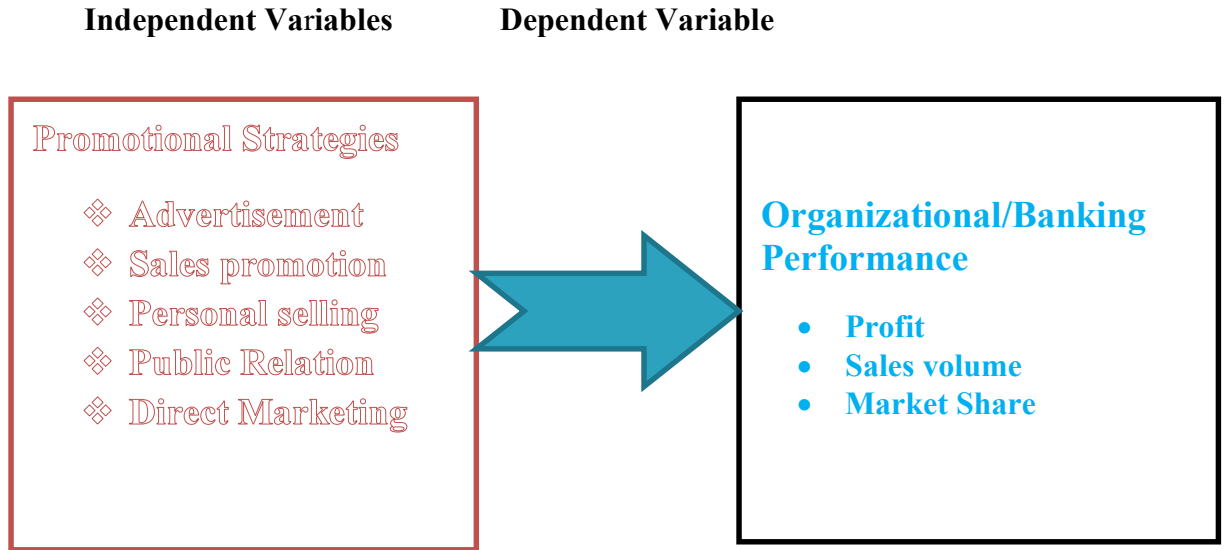
Aliata et al (2012) conducted a research on influence of promotional strategies on banks performance. Descriptive research was conducted. Simple random sampling technique was used to select 88% of bank branches. Questionnaires were used to collect data. It was revealed that there was a positive relationship between promotional strategies; direct marketing, sales promotion, personal selling, advertising and viral marketing on expenditure and bank performance.

Cheruiyot and Peter (2016) conducted a research on Integrated Marketing Communication and Performance of Kenya Post and Savings Bank. The study used descriptive research. Stratified random sampling technique was used to select the sample was used to select 80 respondents. Data was collected using questionnaires. Findings revealed that direct marketing advertising, personal selling, sales promotion and public relations enhance the company's performance by enhancing customer attraction, customer loyalty, sales volumes, branch expansion and reminding customers.

## **2.8. Conceptual Framework of the Study**

A conceptual framework is the diagrammatic presentation of variables, showing the relationship between the independent variables and the dependent variable. The five promotional mix elements namely advertisement, sales promotion, personal selling, publicity or public relation and direct marketing are the independent variables in this study. Organizational/banking performance with its indicators (profit, increase sales volume and market share) is the dependent variable of the study. According to Kristina (2006), promotional strategies should be designed as per the nature of services to be promoted but does not explain how strategies influence performance of a firm. He mentioned five promotional strategies namely advertisement, sales promotion, personal selling, direct marketing and public relation. Organizational performance is measured in three items namely profitability, market share and increase in sales volume. The researcher used profitability, market share and increase in sales volume as indicators of dependent variable.

Figure 1: shows the conceptual Framework linking promotional strategies and Organizational/ banking Performance.



Source developed by the researcher, 2019

## CHAPTER THREE

### RESEARCH DESIGN AND METHODOLOGY

#### 3. Introduction

Research methodology is a theory of how an inquiry should proceed. It involves analysis of the assumptions, principles and procedures in a particular approach to inquiry or, methodologies explicate and define the kinds of problems that are worth investigating; what constitutes a researchable problem; testable hypotheses; how to frame a problem in such a way that it can be investigated using particular designs and procedures; and how to select and develop appropriate means of collecting data. Teddlie and Tashakkori (2007)

This chapter outlines an overview of research design, research approach, research population, sampling methods, sampling size, sampling techniques, and data sources, instruments of data collection techniques and methods of data analysis, reliability and validity of the study, ethical consideration.

#### 3.1. Research Design

According to Jayatan and Priyanka (2015), research design is a comprehensive plan for data collection in an empirical research project. It is a “blueprint” for empirical research aimed at answering specific research questions or testing specific hypotheses, and must specify at least three processes: the data collection process, the instrument development process, and the sampling process. Jayatan and Priyanka (2015), explain research design as it outlines how the research study was carried out. It addresses itself to certain key issues involved in carrying out the research.

The researcher used both descriptive and explanatory research design. The main reasons why the researcher used both research designs.

- ❖ According to Kothari (2004), descriptive research includes surveys and fact-finding enquiries of different kinds. The major purpose of descriptive research is description of the state of affairs, as it exists at present.

- ❖ Descriptive research design provides to collect large amounts of data from a large sample of the target population (Streubert& Carpenter 1999).
- ❖ Streubert and Carpenter (1999) state that a descriptive method in data collection in qualitative research is central to open, unstructured qualitative research interview investigations.
- ❖ The main reason explanatory research design used to understand the nature and relationship between the independent and dependent variables, to measure the degree of association, correlation between variables and to conduct effect analysis like the effects of promotion strategies on Promotional strategy Towards Banks Performanceusing regression analysis.
- ❖ Explanatory design can be extremely beneficial in guiding future research techniques. A better knowledge of a topic helps hone subsequent research questions and will significantly raise the effectiveness of a study's findings. It is also very helpful in figuring out the best approach to achieve a researcher's objectives.

### **3.2. Research Approach**

It is obvious that there are three types of research approaches in research. Namely qualitative research approach, quantitative research approach and mixed research approach. In this study, the researcher used mixed research approach. Mixed methods research is a methodology for conducting research that involves collecting, analyzing, and integrating quantitative and qualitative research in a single study or a longitudinal program of inquiry (Cress and Clark, 2011). The researcher forwards the following reasons why mixed research approach is appropriate in this study.

Firstly, mixed approach enables researcher to get deeper information by triangulating data gathered through questionnaires and interviews. Triangulation is a basic tool to justify and to confirm the result, which will be obtained from different methods that were studying similar events (Johnson & Christensen 2008).

Secondly, mixed research approach enables the researcher to bring together more inclusive explanation for the area of inquiry (Creswell, 2008).

Thirdly, the use of mixed research approach can create synergy by combining both qualitative and quantitative approaches together (Creswell, 2008).

Fourthly, the purpose of this form of research is that both qualitative and quantitative research, in combination, provides a better understanding of a research problem or issue than either research approach alone (Creswell, 2008).

Fifthly, the overall purpose and central premise of mixed methods studies is that the use of quantitative and qualitative approaches in combination may provide a better understanding of research problems and complex phenomena than either approach alone (Creswell and Plano Clark, 2007).

### **3.3. Data Sources**

#### **3.3.1. Primary Sources of Data**

The primary sources of the study include both questionnaires and interview, which were gathered from employees and marketing department manager and vice manager of Dashen Bank. Primary sources are original information and not ready-made sources of data and can provide current and factual information about the study and they are fresh and collect for the first time and these sources are original both in time and in their space.

#### **3.3.2. Secondary Sources of Data**

Secondary sources of data were collected from textbooks, related journal articles and magazines. Further, the documents of the bank such as annual marketing corporate communication documents were used.

### **3.4 Sampling Design**

#### **3.4. 1. Population**

Population refers to the total of items about which information is obtained. The populations of this study are both employees and marketing managers of the bank working in Dashen bank. The study was conduct in the Addis Ababa city. In this study, five branchesand the head office were select using non-probability sampling (purposive sampling technique and convenience sampling techniques). These are Dashen Bank



Sarbet branch, Dashen bank head office, Dashen bank stadium branch, Dashen bank Mexico branch, Dashen bank Legehare branch and Mekanissa branch.

There are four districts in AA which are named as North, East, and West & South districts. Under North district there are 43 branches, 45 branches under East district, 43 branches under West district & 39 branches under South district. Totally the bank has 170 branches in A.A. However the bank has many branches the populations of this study were employees of the bank specifically those who are working at the head office and five others branches. Based on the objective of the study, the study populations were purposefully selected. According to this the total population of the study will cover all employees working at marketing department of the bank at the head office.

The sample design was included all senior and junior employees, marketing manager and vice-manager. In addition, marketing manager and vice-manager of the bank was selected purposively for the study because thus bodies are key informants of this study.

According to human resource department of the bank there are 230 senior and junior employees working in marketing department, customer service department and tellers. Therefore, the total population of the study was 230.

**Table 3.1. Population of the study**

No	Name of branches	Number of employees
1	Dashen Bank Sarbet branch	27
2	Dashen Bank Head office	47
3	Dashen Bank Stadium branch	42
4	Dashen Bank Mexico branch	37
5	Dashen bank Legehar Branch	38
6	Dashen bank Mekanissa branch	39
Total		230

Source: Human resource department of Dashen bank, 2019

### 3.5. Sampling Techniques

According to Creswell (2008) sampling technique is the degree of accuracy desired; methods of analysis, objectives of the research, cost, time, etc. determine the type of

sampling design to be adopted. The researcher applied the following sampling techniques from both probability and non-probability sampling methods.

- **To select the study area:** to select the study area the researcher applied convenience-sampling technique to select the research area because of the following three important reasons. According to Creswell (2008) Convenience sampling method is set of techniques in which respondents are selected by convenience due to their proximity, availability, and accessibility or other way that researcher decides.
- **To select the branches:-**There are four districts in AA which are named as North, East, and West & South districts. Under North district there are 43 branches, 45 branches under East district, 43 branches under West district & 39 branches under South district. Totally the bank has 170 branches in A.A. Based on the objective of the study; the study population was purposefully selected. According to this the total population of the study was covered all employees working at marketing department, customer service department & tellers working at selected branches of the bank. There are 44 employees working in marketing department and 186 of the respondents were working in customer service and tellers. Out of them five branches and the head office were selected by using purposive sampling from the branches.
- **To select marketing manager and vice manager:** -The researcher selects managers and their vice-managers by using purposive sampling in order to get accurate information. Purposive sampling technique refers to the one in which the person is selecting the sample is who tries to make the sample representative , depending on his/ her opinion or purpose , thus being the representation the subjective. According to Jayatan K. &Priyanka (2015) using purposive sampling has the following merits
  - ❖ To select respondents across a broad spectrum relating to the topic of the study
  - ❖ The idea behind purposive sampling is to concentrate on people with particular characteristics who will better to assist with the relevant research.
  - ❖ To look at a subject from all available angles, thereby achieving a greater understanding.
- **To employees:** - to select employees the researcher used availability and random sampling technique from probability and non-probability sampling method. The

reason is to give an equal chance for the population being the member of the sample. Finally, the researcher used proportional or quota sampling technique to select proportional number of respondents from each branch to represent the Bank in the study.

### 3.6. Sample Size

There is no one accepted formula to determine the sample size of the given population; Different researchers used the different formula to determine sample size based on their situation and population characteristics. The selection of sample size is depending on nature of the research design, the level of accuracy, the level of confidence and the nature of target population the researcher needs to study (Kothari 2004).

Therefore, to determine the sample size, different formula was used; however considering the level of margins of error 5% and 95% level of confidence, The number of participants for a self-administered questionnaire was determined based on Yamane's (1967) simplified formula were applied.  $n = \frac{N}{1+N(e)^2}$  Where: n= desired size (sample size) N= total population size e=limit of error tolerance which assured to be 5% ( 0.05) confidence limit the sample population obtained through computing with the above formula first to determine sample size of employees.

$$N=230, e=0.05, \quad \text{Thus } n = \frac{230}{1+230(0.05)^2}$$

$n = \frac{230}{1+230(0.0025)} \gg \frac{230}{1.575} = 146$ . Therefore 146 respondents were select as a sample from 230 for employees.

**Table 3.2 Sample Size of Employees of the Branches**

No	Name of branches	Number of employees	Rate of sample size	Sample size
1	Dashen Bank Sarbet branch	27	12%	17
2	Dashen Bank Head office	47	20%	30
3	Dashen Bank Stadium branch	42	18%	27
4	Dashen Bank Mexico branch	37	16%	23

5	Dashen bank Legehar Branch	38	17%	24
6	Dashen bank Mekanissa branch	39	17%	25
Total		230	100%	146

Source: own computation, 2019 through proportional sampling technique.

### **3.7. Data collection methods**

The main data gathering tools in this study are both primary sources and secondary sources. Primary sources include questionnaires and Interviews. Because Primary sources are uninterrupted, original or new materials and primary sources provide current and factual information about the study as well as data gathered from primary sources are fresh and collect for the first time and these sources are original both in time and in their character. The primary sources of the study are questionnaires and interviews.

#### **3.7.1. Primary Sources**

The primary sources of the study were questionnaires and interviews.

##### **3.7.1.1. Questionnaires**

Using questionnaire enables researcher to obtain data from large numbers of participants quickly and relatively inexpensively. To address large sample and geographically representative. Therefore, the use of the questionnaire is a popular method. The questionnaires items were close –ended. The close ended questions were designed in the form of five point Likert scale type questions.

The first section outlines the profile of respondents, which includes ages of respondents, gender of respondents, work experiences of respondents, educational background of respondents, position of respondents and marital status of respondents.

The second section deals with the independent variables of the study (questions related to promotional strategy of advertising, public relation, sales promotion, personal selling and direct marketing). The third section deals with the dependent variables of the study or indicators of organizational/banking performance. The type of scales used to measure the items on the instrument is continuous scales (strongly agree to strongly disagree). A total of 146 questionnaires were prepared to distribute to respondents.

### **3.7.2. Interviews**

Face-to-face interviews are suitable when your target population can communicate through face-to-face conversations better than they can communicate through writing or phone conversations. The researcher used interviews to generate primary data through semi-structured questions.

### **3.7.2. Secondary Sources**

Secondary sources are best for uncovering background or historical information about a topic and broadening the understanding of a topic by exposing to others' perspectives, interpretations, and conclusions.

However, it is better to analyze an original information source (primary source) if we plan to reference it in any work. For this study secondary data were collected from the documents specifically related to service delivery, published and unpublished materials, internet and journals on the subject which help the researcher in validating information and facts of the organization and to come up with insights.

## **3.8. Procedures of data collection**

Questionnaires were prepared to collect the data from the target population. Then, the questionnaires were distributed to the participant of the study according to the schedule. After the questionnaires are carefully filled, the researcher collected and organized the completed questionnaire for analysis. After data analysis, the results of the data were reported to the advisor.

## **3.9. Data Analysis and presentation**

After the data collected from both primary and secondary sources through both qualitative and quantitative research approach, the results obtained were analyzed and interpreted by using qualitative as well as quantitative data analysis tools. The qualitative findings of this study were analyzed in line with the response that obtained from qualitative finding from marketing manager and vice manager head office.

### **3.9.1. Quantitative Data Analysis**

The quantitative data obtained through Likert type questionnaires were analyzed by using a tool called Statistical Package for the Social Science (**SPSS**). The researcher used

version 25.0. SPSS is a powerful, user –friendly software package to manipulate, analyze and presenting data in this study. The researcher used statically the following tools like descriptive analyzesspearman correlation and multiple regression analysis.

Descriptive analyzes (frequency and percentage, mean standard deviation) were used to assess the perception, opinions and attitudes of respondents on the effects of promotional strategies on banking performances of Dashen bank.

**Spearman correlation** was used mainly to know the strength relationship between independent variables that means the promotional strategy and the dependent variable banking performance.

**Multiple Regression**, the main reason why the researcher were used multiple regression analysis is that to know which independent variables had more impact on the dependent variable and to what extent the independent variables (promotional strategies) of the study explain the dependent variable (banking performance).

### 3.9.2. Qualitative Data Analysis

According to Brayman&Bell (2007).the qualitative data that were obtained from the interview will analyze through narrative approach because, this approach answers what, who and where questions and narrative approach enable researchers to familiarize with the topic. In addition the approach also helps researcher to analyze respondents ‘opinion and interview results and which were present in accordance with their themes and main importance sentences of the participants who were addressed during the interview period.

### 3.9.3. Instrumentation of measurement items

The five promotional strategies in this study were advertising, personal selling, sales promotion, public relation and direct marketing. The items are derived from a comprehensive review of the literature on promotional strategies.

**Advertising was** measured through a scale having 6 items. The respondents were asked to indicate on a scale of 1 = strongly disagree to 5 = strongly agree. A sample question is advertisement helps in determining the choice of Dashen bank in preference to commercial ones.

**Personal selling** variable was measured through an instrument having 6 items; each was rated on a 5-point scale. The respondents were asked to indicate on a scale of 1 =strongly disagree to 5 =strongly agree ‘. A sample questions is use of e-marking has a positive influence on performance.

**Public relation** was measured through a scale having 6 items. The respondents were asked to indicate on a scale of 1 = strongly disagree to 5 = strongly agree. A sample question is public Relations spread the application of modern banking system in Dashen bank

**Sales promotion** variable was measured through an instrument having 6 items; each was rated on a 5-point scale. The respondents were asked to indicate on a scale of 1 =strongly disagree to 5 =strongly agree ‘. A sample questions is promotion of products and services gives to the bank a competitive advantage

**Direct marketing** was measured through a scale having 6 items. The respondents were asked to indicate on a scale of 1 = strongly disagree to 5 = strongly agree. A sample question is the bank uses direct mail, catalogs, telemarketing, interactive TV, kiosks, websites, and mobile devices to customers

**Banking/Organizational performance** variable was measured through an instrument having 10 items; each was rated on a 5-point scale. The respondents were asked to indicate on a scale of 1 =strongly disagree to 5 =strongly agree ‘. A sample questions is the bank developed new services and programs in line with the interest of customers

### **3.10. Goodness of Measure**

#### **3.10.1. Reliability Test**

Checking the validity and reliability of data collecting instruments before providing for the actual study is vital to assure the quality of the data. To ensure validity of instruments, initially the instruments was prepared by the researcher and developed under close guidance of advisors. The instrument was validated by some experts in the field to ensure that the instrument contains all the aspects of the subject matter. The experts made some valid correlations on the instrument and they are reflected in the final draft.

Reliability test concerns the extent of agreement between two or more measures of a trait through similar methods Kothari (2004). Cronbach alpha is a measure of the degree of consistency with a test. Cronbach reliability coefficient alpha indicates the degree to which variance is present in scale( Cronbach).This study uses Cronbach’s alpha to test the reliability of the instruments used in this study.

A pilot study was conducted to refine the methodology and test instrument such as a questionnaire before administering the final phase. Before the distribution of actual data collection process for collecting the reliable data which is important for the study the researcher conducted a pilot test from 20 individuals who were not participate in the final data collection process based on the expectations and perceptions of the respondents.

Reliability was checked and fall between 0.828 for Public Relation and 0.908 for sales promotion.AccordingtoSerkanan, (2003) if the value of Cronbach alpha fall to 0.50 it is considered as poor, 0.60 it is questionable, 0.70 it is acceptable, 0.80 is good, 0.90 excellent. The alpha value for advertisement is (0.831), which is considered as good. Sales promotion (0.908), personal selling (0.853), public relation (0.828), direct marketing (0.857) and banking/organizational performance (0.868).

The overall alpha value for measurement items used in this study is (0.8575) which is good based on the rule of Serkanan, (2003) this implies that there is good internal consistency among measurement items used in this study. According to Serkanan, (2003) reliability can be explained as follows: less than 0.05 is poor, 0.06 is acceptable, 0.07 is moderate, 0.08 is good and above 0.09 is an excellent value.

Table 3.3 Reliability test result of measurement variables.

Variables	Number of items	Cronbach’s alpha value
Advertisement	6	83.1
Sales promotion	6	90.8
Personal selling	6	85.3
Public relation	6	82.8
Direct marketing	6	85.7
Banking/organizational performance	10	86.8



Overall reliability test	40	85.75
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Source: field survey: 2019.

### 3.11. Model Specification

To measure the effects of promotional strategies on organizational/ banking performance in the banking industry the researcher used the following model.

$$OP = \beta_0 + \beta_1 AD + \beta_2 PS + \beta_3 SP + \beta_4 PR + \beta_5 DR + \epsilon_i \dots\dots\dots (3)$$

Where:

OP= organizational/ Banking performance

AD=Advertisement

PS=Personal Selling

SP= Sales Promotion

PR= Public Relation

DR= Direct marketing

$\beta_0$  = Constant or intercept term

$\beta_1, \beta_2 \dots \beta_5$  = Parameter estimate associated with the influence of the independent variables on the dependent variable

$e$  = Error term i.e. other variables not included in the model

### 3.12. Ethical Considerations

Quantitative survey respondents and qualitative survey informants were provided with detail explanation about the overall objective of the study ahead of time. Interview was administered on free will of interviewees. Respondents were informed that they expect to tell any information related to the research otherwise can refuse if they don't want to be participating. In addition respondents were informed that information provide by interviewees was confidential. The researcher indicated that information obtain from them was not be disclose to the third party. Name and other identifying information were

not used in the study. Moreover, the researcher was informed about their valuable and genuine responses contributions for the achievement of the study.

## **CHAPTER-FOUR**

### **DATA PRESENTATION, ANALYSIS AND DISCUSSION**

#### **INTRODUCTION**

The main purpose of this study is to incorporate the effects of promotional strategies towards the performances of Dashen bank. To analyze the collected data in line with the objective of the research undertaking, statistical procedures were carried out by using SPSS. The chapter is divided into six parts. The First section covers the questionnaire administration or response rate of respondents of the study. The second part deals with the demographic characteristics of respondents which includes age of respondents, sex of respondents, work experience of respondents, educational level of respondents, position of respondents and marital status using frequency and percentage. The third part covers with the descriptive analysis of promotional strategies namely, advertisement, personal selling, sales promotion, public relation, direct marketing and banking performances.

The fourth part deals with the correlation analysis mainly to show the relationship between the five promotional strategies namely, advertisement, personal selling, and sales promotion, public relation, direct marketing and banking performances.

The fifth part covers the multiple regression analysis to shows the impacts of the five promotional strategies namely, advertisement, personal selling, sales promotion, public relation and direct marketing on banking performances. The six part covers with discussion of the findings.

#### **4.1. Response Rate**

146 sets of questionnaires were distributed to respondents out of which 141 or 96.5% were returned. The remaining 5 or 3.5% questionnaires were not returned. There are no discarded questionnaires. Usable questionnaires for data analysis were 141 or 96.5% reflecting valid response rate.

#### **Table.4.1. Survey Response**

	Total	%
Questionnaires distributed	146	100%
Collected questionnaires	141	96.5%
Discarded questionnaires	-	-
Not returned questionnaires	5	3.5%
Usable questionnaires	141	96.5%

**Source: field survey: 2019**

#### 4.2. Profile of Respondents

The following table below shows the demographic characteristics of the respondents which incorporate age of respondents, sex of respondents, educational level of respondents, work experience of respondents, position of respondents and marital status of respondents.

**Table: 4.2. Profile of Respondents**

No	Demographic Variables	Frequency	%	
1	Ages of respondents	18-25	17	12.1
		26-30	85	60.3
		31-35	11	7.8
		36-40	20	14.2
		41-50	8	5.7
		Total	141	100.0
2	Sex of respondents	Male	84	59.6
		Female	57	40.4
		Total	141	100.0
3	Educational Background of respondents	Diploma	-	-
		Degree	111	78.7
		Masters	30	21.3
		PhD	-	-
		Total	141	100.0
	Work Experience in year	1-5	39	27.7
		6-10	82	58.2

4		11-15	15	10.6
		16 and above	5	3.5
		Total	141	100.0
5	Position of respondents	Non-managerial employees	139	98.6
		Managerial employees	2	1.4
		Total	141	100.0
6	Marital status	Married	88	62.4
		Single	47	33.3
		Divorced	4	2.8
		Widowed	2	1.4
		Total	141	100.0

**Source: field survey: 2019**

Respondents were asked to indicate their ages. Accordingly, the majority 85(60.3%) of the respondents were between 26-30 years, 20(14.2%) 36-40 years, 17(12.1%) 18-25 years, 11(7.8%) 26-30 years and 8(5.7) 41-50 years. The result of the study shows that youngest, productive, and motivated as well as energetic workers that could potentially enables the bank to give quality service to customers through promotion strategies. The result of the study also shows that respondents above 18 years were significantly represented in the study.

The result of the study shows that the majority of the respondents are male respondents which accounts for 84(59.6%) whereas, the remaining 57(40.4%) are female respondents. The result shows that gender composition of female employees is less as compared to male employees in the bank based on the sample.

Concerning the education level of respondents about 111(78.7 %) of the respondents acquire degree and about 30 (21.3%) of the respondents are masters holders. This indicates that the respondents are educated and they were expected to explain more about the effects of promotional strategies of the bank towards the performances of the bank.

Respondents were asked to indicate their work experiences. Accordingly, the majority 82(58.2%) of the respondents have 6-10 years of work experience.

About 39 (27.7%) of the respondents have more 1-5 years of work experience, 15(10.6%) of the respondents have 11-15 years of work experience and 5(3.5%) of the respondents have 16 and above years of work experience. The result of the study shows that the majority of the respondents is more experienced and familiar with the promotional strategies of the bank and can explain the effects of promotional strategies on the performances of the bank.

Respondents were asked to indicate their position. Accordingly, 139(98.6%) of the respondents were non-managerial employees and 2(1.4%) of the respondents were managerial employees. The result of the study implies that both managerial and non-managerial employees can explain more about the promotional strategies of the bank.

Respondents were asked to indicate their level of marital status. Accordingly, the majority 88(62.4%) of the respondents were married, 47(33.3% single, 4(2.8%) divorced and 2(1.4%) widowed.

#### 4.3. Descriptive Statistics

The following table below clearly portrays the descriptive statistics the five independent variables namely advertisement, personal selling, sales promotion, public relation and direct marketing and banking/organizational performance based on the five points scale.

**Table: 4.3. Descriptive Statistics of measurement variables**

Variables	N	Mean	Standard deviation	Maximum	Minimum
Advertisement	141	3.0827	.77245	4.67	1.00
Sales Promotion	141	3.1489	.71317	4.33	1.00
Personal Selling	141	3.0686	.76430	5.00	1.00
Public Relation	141	3.0615	.75077	4.33	1.00
Direct Marketing	141	3.1229	.76107	5.00	1.00
Banking/Organizational Performance	141	3.1440	.69379	5.00	1.60

**Source: field survey: 2019**

(Zaidaton&Bagheri, 2009)stated that the Mean Score value < 3.00 was considered as Low, the mean value score from 3.00 – 3.79 was considered as moderate and mean score value > 3.8 was considered as high as illustrated by comparison bases of mean score Five point Likert Scale. The findings of the study show that the mean score for advertisement

stragey is (3.0827). This implies that the bank used advertisement as a promotional strategy moderately.

The result of the study implies that sales Promotion is used by the bank moderately with a mean score of (3.1489). Similarly Personal Selling is also used by the bank moderate with a mean score of (3.0686). The result of the study shows that Public Relation is used by the bank moderately with a mean score of (3.0615). The result of the study implies that direct marketing is used by the bank moderately with a mean score of (3.1229). in general the result of the study implies that promotional strategies namely(Advertisement , Sales Promotion, Personal Selling Public Relation, and Direct Marketing) used moderately in the bank as the mean score value clearly shows above in table 4.3 above. This resulted in moderate organizational/ banking performance with a mean score of (3.1440).

#### **4.4. Spearman Correlation Analysis**

Spearman Correlation Coefficient measure of the strength of a linear relationship between paired data when the data is ordinal. The relation denotes, positive value denotes positive linear correlation between the independent and dependent variables. Negative values denote negative linear correlation between the independent and dependent variables. A value of zero denotes no linear correlation between independent and dependent variablesandthe close the value is to 1 or -1, the stronger the linear correlation. Correlation is an effect size and verbally describes the strength of the correlation using the guide that (The research advisors, 2006, retrieved from <http://research-advisors.com>)

Therefore the spearman correlation of this study was conducted based the value of  $r$ ; suggested by (The research advisors, 2006, retrieved from <http://research-advisors.com>).

Spearman Correlation's Coefficient was done mainly to determine what types of relationship exist between independent variables (advertisement, sales promotion, personal selling public relation, and direct marketing) affects more on the dependent variable (organizational performance).

Table 4.4. Spearman Correlation

		AD	SP	PS	PR	DM	OP/BP
Spearman's AD rho	Correlation Coefficient	1.000	.700**	.931**	.931**	.805**	.653**
	Sig. (2-tailed)	.	.000	.000	.000	.000	.000
	N	141	141	141	141	141	141
SD	Correlation Coefficient	.700**	1.000	.701**	.701**	.850**	.807**
	Sig. (2-tailed)	.000	.	.000	.000	.000	.000
	N	141	141	141	141	141	141
PS	Correlation Coefficient	.931**	.701**	1.000	.999**	.774**	.741**
	Sig. (2-tailed)	.000	.000	.	.000	.000	.000
	N	141	141	141	141	141	141
PR	Correlation Coefficient	.931**	.701**	.999**	1.000	.773**	.740**
	Sig. (2-tailed)	.000	.000	.000	.	.000	.000
	N	141	141	141	141	141	141
DM	Correlation Coefficient	.805**	.850**	.774**	.773**	1.000	.639**
	Sig. (2-tailed)	.000	.000	.000	.000	.	.000
	N	141	141	141	141	141	141
OP/BP	Correlation Coefficient	.653**	.807**	.741**	.740**	.639**	1.000
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.
	N	141	141	141	141	141	141

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

Source: field survey, 2019

**Key:** AD= Advertisement, SP= Sales Promotion, PS=Personal Selling PR= Public Relation DM= Direct Marketing) OP= organizational performance.

The relationship between advertisement and organizational/ banking performance was tested and the result indicates that there is a significant at (.000). There is also positive relationship between advertisement and organizational performance. The correlation is strong at (r=.653). This implies that an increase in advertisement by 1% increases organizational performance by 0.653%.

The relationship between sales promotion and organizational performance was investigated and the result obtained from this study was shown that there is a significant (.000), positive and very strong association between sales promotion and organizational performance at ( $r=0.807$ ). This implies that when the bank increase sales promotion by 1% organizational performance is increased by 0.807%.

Personal selling has a significant (.000), positive and strong correlation with organizational performance at ( $r=0.741$ ). This implies that when the bank increase Personal selling strategy by 1% organizational performance is increased by 0.7041%. Public relation and organizational performance has a significant (0.000), positive and strong or substantial correlation at ( $r=.740$ ). This implies that an increase in public relation by 1% increases organizational performance by 0.740%.

The relationship between direct marketing strategy and organizational performance and was investigated and the result obtained from this study was shown that there is a significant (.000), positive and strong correlation at ( $r=.639$ ). This implies that an increase in direct marketing strategy by 1% increases organizational performance by 0.639%. Therefore, all promotional strategies used in this study have significant, positive and strong relationship with organizational/ banking performance.

#### **4.5. Multiple Regression analysis**

Regression is concerned with describing and evaluating the relationship between a given variable and one or more other variable on which the given variable depends. The given variable is referred to as the dependent or response variable. The variable which are thought to affect it are referred to as independent (explanatory or regressed) variables. Multiple linear regression models were conducted mainly to determine which independent variables affect more the dependent variable. In this study multiple linear regression was carried out mainly to determine which independent variables (Advertisement, Sales Promotion, Personal Selling Public Relation, and Direct Marketing) affect more on the dependent variable (organizational performance).



**Table 4.5. model summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.885 <sup>a</sup>	.783	.775	.32938

a. Predictors: (Constant), Direct Marketing, Sales Promotion , Public Relation, Advertisement , Personal Selling

The R-squared is estimated to be 0.783. This implies that 78.3%% of the variation in organizational performance is determined jointly by the five promotional strategies (Direct Marketing, Sales Promotion , Public Relation, Advertisement , Personal Selling) is used in this study. The remaining (1-0.78.3=0.217) or 21.7% of the variation in organizational performance is explained by variations in other variables that are not included in the model.

Table 4.6. ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	52.741	5	10.548	97.228	.000 <sup>b</sup>
	Residual	14.646	135	.108		
	Total	67.387	140			

a. Dependent Variable: organizational/banking performance

b. Predictors: (Constant), Direct Marketing, Sales Promotion , Public Relation, Advertisement , Personal Selling

The null and alternative hypotheses for the ANOVA are: Ho: all coefficients are jointly insignificant (i.e., B1=B2=B3=B4=B5= 0); HA: At least one of the coefficients is significantly different from zero. Sig=0.000 which is less than 0.05 or even <0.01. Reject Ho. Therefore, reject Ho. This implies that the model is adequate (fit). Hypothesis testing is required for the coefficients before interpretation of the coefficients is made.

**Table 4.7. Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.539	.134		4.038	.000
Advertisement	.321	.114	.358	2.832	.005
Sales Promotion	.816	.065	.839	12.529	.000
Personal Selling	1.518	.343	1.672	4.425	.000
Public Relation	.785	.362	.850	2.170	.032
Direct Marketing	.393	.082	.431	4.806	.000

a. Dependent Variable: Organizational/Banking Performance

The findings of the study imply that all independent variables namely, Advertisement , Sales Promotion , Personal Selling, Public Relation, and Direct Marketing are statistically significant different from zero with their coefficients 0.005, 0.000, 0.000, 0.032 and 0.000 respectively. Therefore, Advertisement, Sales Promotion, Personal Selling, Public Relation, and Direct Marketing have significant effect on organizational/banking performance.

**A multiple linear regression analysis** is carried out to predict the values of a dependent variable. In multiple linear regressions there are explanatory variable and the relationship between dependent variable and explanatory variables is represented by the following equation (Tranme, 2007)

$$Y=B_0+B_1X_1+B_2X_2+B_3X_3+B_4X_4+-----B_p X_p+e.$$

Where  $B_0$  is the constant term

$B_1, B_2, B_3, \dots, B_p$  are estimated regression coefficients. In this study the Constant term is 0.000. The coefficients are estimated as  $B_1AD+B_2SP+B_3PS+B_4PR+B_5DM+ e$  where  $B_0$  to  $B_5$  are the coefficients relating the  $P$  explanatory variables of interest. Therefore, the regression analysis is presented as

$$PS=0.000+0.005AD+0.000SP+0.000OPS+0.032PR+0.000DM+e$$

The Beta value for the five independent variables (Promotional Strategies) namely Advertisement , Sales Promotion , Personal SellingPublic Relation, and Direct Marketing has positive relationship with organizational performance with Beta value of (0.358, 0.839, 1.672, 0.850, and 0.430) respectively.

#### **Standardization Regression Equation**

Shows the standardized Beta value of the independent variables in this study and presented as  $e^* = 0.358AD + 0.839SP + 1.672PS + 0.850 PR + 0.430DM + e$ , where  $e^*$ , AD, SP, PS, PR AND DM are the standardized coefficients values of the independent variables.

#### **4.6. Implication**

The following are the areas of discussions derived from the findings of the study. Promotion is the direct way an organization attempts to reach its publics and is performed through the five elements of promotion mix including advertising, sales promotion, personal selling, public relations, and direct marketing (Czinkota&Ronkainen, 2004). The same is true in Dashen bank. Because the mean score value for advertisement , sales promotion , personal selling public relation, and direct marketing shows that these strategies are used by the bank moderately. Promotion mix is also used by organizations to achieve a competitive advantage and influence their target customers to purchase their products (Aderemi, 2003). Promotion mix is a media or non-media marketing strategy used by organizational for a specific period of time to increase demand, productivity and influence product trial (Kotler and Amstrong, 2010).

The result of the study shows that advertisement and organizational/ banking performance has a significant at (.000), positive and strong at ( $r=.653$ ). This implies that an increase in advertisement by 1% increases organizational performance by 0.653%. Sales promotion and organizational performance has a significant (.000), positive and very strong association at ( $r=0.807$ ). This implies that when the bank increase sales promotion by 1% organizational performance is increased by 0.807%.

Personal selling has a significant (.000), positive and strong correlation with organizational performance at ( $r=0.741$ ). This implies that when the bank increase Personal selling strategy by 1% organizational performance is increased by 0.741%. Public relation and organizational performance has a significant (0.000), positive and

strong or substantial correlation at ( $r=.740$ ). This implies that an increase in public relation by 1% increases organizational performance by 0.740%. Direct marketing strategy and organizational performance has a significant ( $.000$ ), positive and strong correlation at ( $r=.639$ ). This implies that an increase in direct marketing strategy by 1% increases organizational performance by 0.639%.

The result of this study is mainly supported by as the promotion strategy of the company increases from time to time the sales performance of the company will increase highly. Because promotion strategy is an activity or pressure that we put on our sales person to sell more of the product of the company. This will increase the activity of the company to the better condition. If company promotion is low when compared to competitors, can easily force to leave the market by other competitors. So they have a positive relationship. However, most organizations don't achieve the level of marketing performance that will yield returns for them; hence some organizations experience sub-optimal or even outright poor marketing performance. As a result, firms get worried about the contributions of their promotion strategies to marketing performance notwithstanding the large budget used to maintain it sometimes. Thus with the notion that trade sales promotion strategies positively correlated with marketing performance, organizations view incompetent trade promotion strategies with serious concerns; ([www.ccsenet.org/ijms](http://www.ccsenet.org/ijms)) as cited in (Tamiru, Ebisa, 2017).

The findings of the study imply that all independent variables namely, Advertisement, Sales Promotion, Personal Selling Public Relation, and Direct Marketing are statistically significant different from zero with their coefficients 0.005, 0.000, 0.000, 0.032 and 0.000 respectively. Therefore, Advertisement, Sales Promotion, Personal Selling Public Relation, and Direct Marketing have significant effect on organizational/banking performance. This is mainly supported by

Ibojo and Ogunsiyi (2011) in their research on effect of promotion strategies as a tool on organizational/banking performance, findings revealed that promotion strategies have a positive and significant effect on organizational/banking performance and sales volume of the organization. Syeda, Zehra and Sadia (2011) in their research on impact of promotion strategies on organizations' profitability and consumer's perception in Pakistan, it was revealed that promotion strategies has a positive and significant effect

on brand loyalty hence increase in organizational profitability. Adeniran, Egwuonwu and Egwuonwu (2016) research on the impact of promotion strategies on sales turnover in airlines industry in Nigeria. It was established that promotion strategies incentives has a significantly impact on sales turnover in the airlines industry. Osogbo (2014) conducted a research on effects of advertising on organizational profitability. Findings revealed that advertising has an effect on organizational profitability. It was revealed that promotion strategies affect organizational/ banking performance and sales volume of the organization.

## CHAPTER FIVE

### SUMMARY FINDINGS, CONCLUSION AND RECOMMENDATION

#### INTRODUCTION

##### 5.1. SUMMARY FINDINGS

The summary of findings of the study mainly incorporates with the whole basic research questions raised in chapter one. The study intended to answer four basic research questions. . This includes

**Research Question One:** How are promotional strategies in Dashen bank in Addis Ababa? The result of the study implies that advertisement used in the bank moderately with a mean score of (3.0827), sales Promotion is used by the bank moderately with a mean score of (3.1489). Similarly personal Selling is also used by the bank moderate with a mean score of (3.0686). The result of the study shows that Public Relation is used by the bank moderately with a mean score of (3.0615). The result of the study implies that direct marketing is used by the bank moderately with a mean score of (3.1229). In general the result of the study implies that promotional strategies namely(Advertisement , Sales Promotion , Personal Selling Public Relation, and Direct Marketing) used moderately in the bank as the mean score value clearly shows.

**Research Question two :**How is organizational / banking performance of Dashen Bank Addis Ababa.**According to** (Zaidaton&Bagheri, 2009) mean score value < 3.00 was considered as low, the mean value score from 3.00 – 3.79 was considered as moderate and mean score value > 3.8 was considered as high as illustrated by comparison bases of mean score five point Likert Scale. The result of the study shows that there is a moderate organizational/ banking performance with a mean score of (3.1440) in Dashen bank.

**Research Questionthree:** What is the relationship between promotional strategies and organizational/banking performance in Dashen bank? The result of the study implies that advertisement has a significant at (.000), positive and strong correlation at ( $r=.653$ ) with organizational/ banking performance in Dashen bank. This implies that an increase in advertisement by 1% increases organizational performance by 0.653%. Sales promotion has a significant (.000), positive and very strong association between sales promotion and

organizational performance at ( $r=0.807$ ). This implies that when the bank increase sales promotion by 1% organizational performance is increased by 0.807%.

Personal selling has a significant ( $.000$ ), positive and strong correlation with organizational performance at ( $r= 0.741$ ). This implies that when the bank increase Personal selling strategy by 1% organizational performance is increased by 0.741%.

Public relation and organizational performance has a significant ( $0.000$ ), positive and strong or substantial correlation at ( $r=.740$ ). This implies that an increase in public relation by 1% increases organizational performance by 0.6740%. Direct marketing strategy and organizational performance has a significant ( $.000$ ), positive and strong correlation at ( $r=.639$ ). This implies that an increase in direct marketing strategy by 1% increases organizational performance by 0.639%.

**Research Question Four:** What are the effects of promotion strategies on the banking performance? The findings of the study imply that all independent variables namely, Advertisement , Sales Promotion , Personal Selling Public Relation, and Direct Marketing are statistically significant different from zero with their coefficients 0.005, 0.000, 0.000, 0.032 and 0.000 respectively. This implies that advertisement, sales promotion, personal selling public relation, and direct marketing have significant effect on organizational/banking performance.

## 5.2. Conclusion

The main purpose of the study is to assess the effects of promotional strategies (advertisement, sales promotion, personal selling public relation, and direct marketing) on organizational/banking performance in Dashen bank. Based on the findings it can be concluded that Advertisement, Sales Promotion, Personal Selling, Public Relation, and Direct Marketing used in Dashen bank moderately. This resulted in moderate organizational/ banking performance.

Based on the findings it can be concluded that advertisement has a significant, positive and strong relationship between with organizational performance. Uses of advertising to present product and ideas hence increase sales, e-marking has a positive influence on performance and direct marketing increases profit.

Based on the findings it can be concluded that sales promotion has a significant, positive and very strong association between with organizational performance. Sales promotion is used to create interest, brand awareness and increase brand loyalty.

Based on the findings it can be concluded that personal selling has a significant, positive and strong correlation with organizational performance. Based on the findings it can be concluded that Public relation has a significant, positive and strong or substantial correlation with organizational performance. Based on the findings it can be concluded that direct marketing strategy has a significant, positive and strong correlation with organizational performance.

Therefore, the use of promotion strategies increases sales performance, increase brand awareness influences organizational performance, packaging influence consumer-perceived product quality, packaging is used to describe the product, its use, product visibility and recognition and attract attention, brand image, and loyalty influences bank's profitability. The Findings revealed that promotion strategies of products/services give the bank a competitive advantage over rival bank. This is in line with Aderemi (2003) promotion strategies are also used by organizations to achieve a competitive advantage and influence their target customers to purchase their products/service.

Based on the findings it can be concluded that advertisement, sales promotion, personal selling, public relation, and direct marketing are statistically significant different from zero. Therefore advertisement, sales promotion, personal selling public relation, and direct marketing, have significant effect on organizational/banking performance.

### **5.3. Recommendation**

Based on the findings of the study on the researcher forwarded the following recommendations for both the bank and future researchers on the five promotional strategies of advertisement, sales promotion, personal selling public relation, and direct marketing, and organizational/ banking performance.

#### **5.3.1. To Dashen Bank**

Firstly, the result of the study shows that advertisement is used by Dashen bank moderately. This implies that advertisement is not significantly used in the bank. Therefore it is better to use advertisement aggressively to inform, remind and persuade customers to purchase a product or service. It is also used to present product, ideas and reach targeted customers.



Secondly, sales promotion is used moderately in the bank. Therefore, it is better for the bank to use sales promotion strategy beyond this limit to provide a bargain chance, since many sales promotion tools have an attention gaining quality that communicates an offer that will not be available again to purchase something special and to insecure customers wondering whether the service is reliable or reasonably price. Therefore, it is better to use sales promotion frequently and carefully.

Thirdly, personal selling is used moderately in the bank. Therefore, it is better for the bank to use personal selling beyond this limit to establish long term person to person relationship to achieve competitive advantage.

Fourthly, public relation is used moderately in the bank. Therefore, it is better for the bank to use public relation strategy beyond this limit to create mutual understanding and to look quality of relationship between the bank and its publics.

Fifthly, direct marketing is used moderately in the bank. Therefore, it is better for the bank to use direct marketing strategy beyond this limit to increase brand awareness influences organizational performance, packaging influence consumer-perceived product quality, packaging is used to describe the product, its use, product visibility and recognition and attract attention, brand image, and loyalty influences bank's profitability. Because promotion strategies of products/services give the bank a competitive advantage over rival bank. This is in line with Aderemi (2003) promotion strategies are also used by organizations to achieve a competitive advantage and influence their target customers to purchase their products/service.

Sixthly, it is better for the bank to develop and maintain comprehensive relationship with their customers because of increased competition within the fast changing environment of financial services.

### **5.3.2. To future researchers**

The R square of the study shows that 78.3% of organizational/banking performance is explained by the five promotional strategies of advertisement, sales promotion, personal selling public relation, and direct marketing used in this study. This indicates that 21.7% of organizational/banking performance is explained by other strategies and therefore,

further investigation is important on the effects of marketing strategies on banking/organizational performance.

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## Appendix I



### **ST.MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES**

**Dear respondents,**

I am postgraduate student in St' marry University. I am conducting this research for the partial fulfillment of Master of Business Administration (MBA). You have been selected as a valuable and knowledgeable participant in this research in titled with “Effects of Promotional strategy on Banks Performance: The Case of Dashen Bank SC”( From employees perspective). The objective is to find out the exact information about the effects of Promotional strategy Towards Banks Performance: The Case of Dashen Bank SC”. The questionnaires are completely anonymous and confidentiality is assured, for the research to provide correct results, it is important that you answer all the questions as honestly and truthfully as possible. The result of this questionnaire will be utilized for the sole academic purpose and hence, any information you give me will not affect by any means, your personal benefits and privacy.

Thank You.

Hanna Bireda (+251921029817) Email:

## SECTION –I, Demographic Information

Place a mark (√) in the spaces provided after each question to reflect your answer the most accurately.

1. Which age brackets are you belong? 18-25 year's  26-30 years  31-35 year's   
 36-40 years  41-50  51 and above
2. Gender?  Male  Female
3. Your level of formal education?  Diploma  BA/BSC/ LLB  Master's  PhD
4. How long have you been working in your current position?  1-5 year's  6-10 years   
 11-15 years  16 years and above
5. Your current job level?  Junior officer  senior officer  vice manager   
manager
6. Marital status  married  single  divorced  widowed.

## SECTION 2: QUESTIONNAIRES

Listed below are descriptive statements about promotional strategies (advertisement, sales promotion, personal selling, public relation and direct marketing) and organizational/ banking performance (profit, sales volume and market share). For each statement please indicates to which degree you display the behavior described.

Tick on the answer which is appropriate for you

Strongly Disagree (SD) 2. Disagree (D) 3. Neutral (N) 4. Agree (A) 5. Strongly agree (SA)

Statements	SD	D	N	A	SA
<b>#1. Advertisement</b>	1	2	3	4	5
1.1 Advertising has increased organizational performance in Dashen bank					
1.2 Dashen bank uses advertising to present their services and ideas					
1.3. Dashen bank advertise their products through various medias					
1.4 Dashen bank offers their advertisements that commensurate with the nature of their work					
1.5 Advertisement helps in determining the choice of Dashen bank in preference to commercial ones					
1.6 Dashen bank has advertising specialists as instruments in order to get into the mind set of target audience					
<b>2 # 2. Sales Promotion</b>	1	2	3	4	5
2.1 Use of sales promotion create interest and brand awareness					
2.2 Use of sales promotion has increased brand loyalty at Dashen bank					
2.3 Sales promotions influences sales volume at Dashen bank					
2.4 Promotion of products and services gives to the bank a competitive advantage					
2.5 Dashen bank encourage customers to deal with them					
2.6 The bank provides an image of its activities and transactions and contributes to improve its image					
<b>3 #3. Personal Selling</b>	1	2	3	4	5
3.1 Use of e-marking has a positive influence on performance					
3.2 Personal selling promote the services of the bank					
3.3 Dashen bank offers price discounts and coupons					
3.4 Employees working in the Dashen bank give a clearer conceive of Dashen bank transactions					
3.5 Employees working in the Dashen bank clarifies the advantages of					

	Dashen banks over the commercial ones					
3.6	Employees working in the Dashen bank comprehensiveness of service at the Dashen bank					
4	<b># 4. Public Relation</b>	1	2	3	4	5
4.1	The bank believes public relation as a main promotion strategies					
4.2	Public Relations spread the application of modern banking system in Dashen bank					
4.3	Public relations spread the advantage of Dashen bank over other rival banks					
4.4	Public relations contribute to improving the image of Dashen bank					
4.5	Public relation promotes the services of the bank					
4.6	The bank has a public relation department which facilitates the day to day events of the bank					
5	<b># 5. Direct Marketing</b>	1	2	3	4	5
5.1	The bank uses direct mail, catalogs, telemarketing, interactive TV, kiosks, websites, and mobile devices to customers					
5.2	Direct marketing provided by the bank envisages the promotion strategies of Dashen bank	1	2	3	4	5
5.3	Direct marketing contributes to explain the strategies of Dashen bank and its transactions					
5.4	The Bank works to embed positive aspects of the application and use of modern banking system to satisfy its customers and to attract new ones					
5.5	The bank uses consumer-direct channels to reach and deliver goods and services to customers without using marketing middlemen.					
5.6	Use of direct marketing at Dashen bank has led to an increase in profit					
	<b>#6. Organizational/ Banking Performance.</b>					
6.1	Customers are attracted by the quality of services and programs the					

	bank					
6.2	The bank developed new services and programs in line with the interest of customers					
6.3	The bank tries its maximum effort to satisfy its customers					
6.4	The service quality and infrastructure of the bank is much greater than other private commercial banks					
6.5	The bank achieve maximum expectation level of customer satisfaction by providing efficient and fast service					
6.6	The bank achieved its financial targets ( profit) by using promotional strategies					
6.7	Customers are satisfied with the service provided by of the employees of Dashen bank					
6.8	The use of promotion strategy has increased the bank's business performance					
6.9	The implementation of promotional allows to expand market share of the bank and influences sales volume					
9.10	The use of promotion strategies enhance the performance of the bank and helps to gain competitive advantage over the rival banks					

THANK YOU FOR GIVING YOUR TIME.

## Appendix II

### INTERVIEW QUESTIONS

1. What are the promotional strategies adopted by Dashen bank?
2. How successful has been these promotional strategies adopted by Dashen bank?
3. Please how many times have you used a particular promotion strategy within a year?
4. Please tell me with the number of customers that had opened accounts with the bank within a year?
5. Please tell me with the number of promotion strategies used by the bank

### APPENDIX III

Reliability test result of measurement variables.

Variables	Number of items	Cronbach's alpha value
Advertisement	6	83.1
Sales Promotion	6	90.8
Personal Selling	6	85.3
Public Relation	6	82.8
Direct Marketing	6	85.7
Banking/organizational performance	10	86.8
Overall reliability test	40	85.75

Source: field survey: 2019.

#### Descriptive Statistics of measurement variables

Variables	N	Mean	Standard deviation	Maximum	Minimum
Advertisement	141	3.0827	.77245	4.67	1.00
Sales Promotion	141	3.1489	.71317	4.33	1.00
Personal Selling	141	3.0686	.76430	5.00	1.00
Public Relation	141	3.0615	.75077	4.33	1.00
Direct Marketing	141	3.1229	.76107	5.00	1.00
Banking/Organizational Performance	141	3.1440	.69379	5.00	1.60

Source: field survey: 2019



Spearman Correlation

		AD	SP	P S	P R	DM	OP/B P
Spearman's AD rho	Correlation Coefficient	1.000	.700**	.931**	.931**	.805**	.653**
	Sig. (2-tailed)	.	.000	.000	.000	.000	.000
	N	141	141	141	141	141	141
SD	Correlation Coefficient	.700**	1.000	.701**	.701**	.850**	.807**
	Sig. (2-tailed)	.000	.	.000	.000	.000	.000
	N	141	141	141	141	141	141
PS	Correlation Coefficient	.931**	.701**	1.000	.999**	.774**	.741**
	Sig. (2-tailed)	.000	.000	.	.000	.000	.000
	N	141	141	141	141	141	141
PR	Correlation Coefficient	.931**	.701**	.999**	1.000	.773**	.740**
	Sig. (2-tailed)	.000	.000	.000	.	.000	.000
	N	141	141	141	141	141	141
DM	Correlation Coefficient	.805**	.850**	.774**	.773**	1.000	.639**
	Sig. (2-tailed)	.000	.000	.000	.000	.	.000
	N	141	141	141	141	141	141
OP/BP	Correlation Coefficient	.653**	.807**	.741**	.740**	.639**	1.000
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.
	N	141	141	141	141	141	141

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

Source: field survey, 2019

## Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.885 <sup>a</sup>	.783	.775	.32938

b. Predictors: (Constant), Direct Marketing, Sales Promotion , Public Relation, Advertisement , Personal Selling

## ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	52.741	5	10.548	97.228	.000 <sup>b</sup>
	Residual	14.646	135	.108		
	Total	67.387	140			

a. Dependent Variable: ORGANIZATIONAL/BANKING PERFORMANCE

b. Predictors: (Constant), Direct Marketing, Sales Promotion , Public Relation, Advertisement , Personal Selling

### Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.539	.134		4.038	.000
	Advertisement	.321	.114	.358	2.832	.005
	Sales Promotion	.816	.065	.839	12.529	.000
	Personal Selling	1.518	.343	1.672	4.425	.000
	Public Relation	.785	.362	.850	2.170	.032
	Direct Marketing	.393	.082	.431	4.806	.000

a. Dependent Variable: Organizational/Banking Performance