

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



**THE EFFECT OF MEDIA ADVERTISING ON  
CONSUMERS' BUYING BEHAVIOR IN THE BANKING SERVICE  
(A CASE STUDY IN NIB BANK S.C)**

**BY:  
HANNA DUBALE**

June, 2020  
Addis Ababa

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**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL OF GRADUATE  
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## ENDORSEMENT

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

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Advisor

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## DECLARATION

I, HANA DUBALE the undersigned, declare that this thesis is my original work; prepared under the guidance of TEMSGEN (PhD). All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

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Name

Signature & Date

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## **ABSTRACT**

*In today's globalized world, financial institutions are in a tough competition, which requires effective promotional tools to increase awareness and persuasion of customers, where media advertising is among the important communications medium that has powerful effect on consumers' behavior. NIB does not identify how its media ads influence its customers' buying behavior. The objective of this study is to analyze the effect of media advertising on consumers' buying behavior in the banking service: the case of Nib International Bank (NIB), and to examine the factors that motivate consumers to respond to media advertising. This study engaged Quantitative research approach to convene the purpose of the study. Customer buying behavior is a dependent variable which is influenced by various independent variable, these are: impressive Advertisement, understandable advertisement, attention grabbing advertisement, memorable advertisement, honest advertisement and creative advertisement. These variables are numerically tested for their relation by applying statistical methods.*

**Key words:** *Advertising, Media advertising, Consumers' buying behavior.*

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background of the Study**

The practice of advertising is as old as man. According to Keller (2005), the urge to advertise seems to be a part of human nature evidenced since ancient times. One of the earliest means of advertising was the use of signs. Early craftsmen used signs to advertise their wares and some traders like the Phoenicians planted commercial messages on prominent rock. Advertising has been a form of glorifying or gaining publicity for goods and merchandise since very early times. In fact, advertising has been around as an informal concept since the beginning of civilizations and former methods were oral advertising or claiming the benefits of products verbally when merchants sold goods to people directly on the streets. Egyptians and Ancient Greeks used the papyrus for advertising and rock painting was also used. Advertising in English in magazines as we know today dates back to the end of the 17th century and newspaper advertising in America began during the first part of the 18th century with advertisements for estates. With the growth of mass media and different forms and avenues of communication like radio, TV, newspapers, magazines, and of course the internet in the 20th century, advertising started becoming an important aspect for commercialization of products. People started understanding the potential of advertisements and it became a business with the establishment of advertising agencies with the first advertising agency in US opened in 1841 Nigussie, M. (2017).

Today, advertising is a multi-billion industry, employing hundreds of thousands of people and affecting billions of people's lives worldwide. So far, seeing as advertising clutter has increased tremendously and is more intense than ever, it is vital that companies differentiate themselves from competitors by creating even more powerful, entertaining and innovative advertising messages that effect consumers' buying behavior, as well as sponsoring different events. The end point of any production or manufacturing activities is to increase the awareness and persuasion of the users through different promotional activities mainly advertising, as a result purchase and consumption is achieved. Therefore, whatever product or service that is produced must satisfy the needs of the consumer adequately. The consumer is said to maximize his satisfaction when his money utility equals the utility of the offer he received in exchanged for the money (Nartey, 2010).

Advertising is an unavoidable component of our everyday lives. No matter where we are, advertising is with us – educating us, enticing us to buy new products and services, begging us to stop activity such us drug use, and persuade us to support some worthy cause or political candidate.

Advertising is an integral part of our economic system and has a direct relationship with the manufacture, distribution, marketing and sale of goods and services. Advertising is as old as civilization and commerce; it has always been necessary to bring buyers and sellers together. Businesses need advertising and advertising itself is a vital business.

Advertising has the potential to influence every aspect of a business. As a communications tool, ads are used to reach a diverse mix of people affected by the products or services. These audiences can include not only customers, but also employees and investors. From employee management to customer relations, companies rely on effective advertisements to influence the success of business (Russell and Lane, 1993)

In today's competitive and volatile environment all marketers including banks communicate with their target markets through advertising (Mittal & Pachauri, 2013). According to Mittal and Pachauri (2013), the way of their communication and the information contained in the advertising is not strong enough and pertinent enough to attract the attention of the consumers. If the information is too weak or too irrelevant, the advertising has no chance of having an effect on consumers' buying behavior.

Advertising must be consistent enough so that it will be accepted by customers when judged against information previously processed and held in long – term storage (Schultz & Tannenbaum, 1988).

In unstable global financial markets the necessity to attract and retain consumers in the banking sector becomes especially topical. One of the perspective tools increasing economic effectiveness of financial institutions is advertising by influencing the customers of the business. Advertising is odd by its “intangible” character and inseparable connection between the clients' trust and stability of banking institution which determine the bank products and services. The Banks' advertising effectiveness is the quality of information reporting to potential and existent consumers during an advertising campaign aiming at forming the bank's image and awareness of the bank products and services as well as at gaining certain economic result determined before and after the transmission of advertising message (Shakhov and Panasenko, 2012).

Most banking institutions address their advertising to holders of small accounts and thus advertise their products and services through the mass media. The press and television are the preferred means for larger banks that have branches across the country. The most common communication methods are television commercials, print advertisements, and outdoor advertising (posters, billboards, etc.). Radio advertisements are not very commonly used in the banking sector (Mylonakis, 2008).

In general, advertising plays a major role in modern life. It shapes the attitudes of the society and the individual and inevitably influences customers' buying behavior. The customer has to contend with a huge amount of information and be able to make a choice, draw conclusions and make important

decisions. The most important task for a business advertising itself is to present its products and services in such a manner that the whole environment around the buyer turns into a positive emotional stimulus

(Jakštien, Susnien and Narbutas, 2008)

This research paper analyzes the effect of media advertising on consumers' buying behavior in the case of NIB International Bank's products and services. In addition, the paper examines the factors that motivate consumers to respond to advertising.

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

In today's competitive and volatile environment all marketers including banks communicate with their target markets through advertising (Mittal & Pachauri, 2013). According to Mittal and Pachauri (2013), the way of their communication and the information contained in the advertising is not strong enough and pertinent enough to attract the attention of the consumers. Since the information is too weak or too irrelevant, the advertising has no chance of having an effect on consumers' buying behavior of their products or services.

Advertising must be consistent enough so that it will be accepted and bring an effect on consumers' buying behavior when judged against information previously processed and held in long – term storage (Schultz & Tannenbaum, 1988).

In unstable global financial markets the necessity to attract and retain consumers in the banking sector becomes especially topical. One of the perspective tools increasing economic effectiveness of financial institutions is advertising. Peculiarities of advertising bank products and services are determined by their uniqueness, namely by their “intangible” character and inseparable connection between the clients' trust and stability of banking institution. The Banks' advertising effectiveness is the quality of information reporting to potential and existent consumers during an advertising campaign aiming at forming the bank's image and awareness of the bank products and services as

well as at gaining certain economic result determined before and after the transmission of advertising message (Shakhov and Panasenko, 2012). But, it is difficult to assess and to know the effect of media advertising on the financial outcome that is gained whether due to advertising or due to other promotional activities.

Most banking institutions address their advertising to holders of small accounts and thus advertize their products and services through the mass media. These need millions of money (i.e According to the NIB's Annual Report of 2012/2013, NIB invested about three million Birr in 2012 and about two million Birr in 2013 for advertisement and publicity). There are numerous advertisements in Medias; television, radio, newspapers and magazines but, the important question for a marketer is "do all these media advertisements positively influence the consumers' buying behavior?" If media advertisement is not create any positive change in consumers' buying behavior, all the resources such as money, time and efforts spent on media advertisement will go in vain. Most business institutions do not assess the effect of their advertisement and can't empathize with the persons to whom the advertising is being directed; they do not know how the customers feel about their products or services and how is important their products or services to their target market. Therefore, it is essential for a marketer to find out the extent to which the media advertisement influences in their buying behavior in the Banking Services (Mylonakis, 2008).

These theories also apply to NIB's media advertisement that the bank doesn't know how the customers feel about the products and services and how is important and impact its ads on its customers' buying behavior. So, this study analyzes the effect of media ads on consumers' buying behavior in banking services of NIB to fill the gaps.

### **1.3 Research Questions**

Thus, this study answers the following questions:-

- What are the major personal, psychological, cultural and social factors that affect NIB Bank S.C. consumers buying behavior?
- Which media advertisement has more effect on NIB international bank consumer buying behaviour?
- Do advertisement characteristics (Impressive, Simple to Understand, Attention Grabbing, Memorable, Creative and Honest) have a direct relationship with consumers buying behavior?
- How do advertisement characteristics (Impressive, Simple to Understand, Attention Grabbing, Memorable, Creative and Honest) affect consumers buying behavior?

## **1.4 Objectives of the Study**

### **1.4.1 General Objective**

The major objective of this study is to determine the effect of media advertising on the preference of customers in the banking service.

### **1.4.2. Specific Objectives**

The following are the specific objective of the study:

- To identify personal, psychological, cultural and social factors that affect NIB bank consumers buying behavior.
- To find out advertisement media has more influence on NIB bank consumers buying behavior.
- To ascertain the direct characteristics (Impressive, Simple to Understand, Attention Grabbing, Memorable, Creative and Honest) have a direct relationship with consumers buying behavior; and
- To describe how advertisement characteristics (Memorable, Simple to Understand, Attention Grabbing, Impressive, Creative and Honest) touch consumers buying behavior

## **1.5 The Scope of the Study**

The study on the effect of media advertising on consumers' buying behavior delimited to only one service firm, NIB International Bank S.C (NIB) in Addis Ababa City Administration due to time constrain and financial limitations the branches out of the city were excluded from it and also the nature of customers of banks make difficult to get enough information. Data collection was delimited to eighteen top performed branches of the bank in the city. Main br, Abakoran branch, Africa Avenue branch, Bole Medhanalem branch, Birsate Gabriel branch, Mahal Merkato branch, Ehil Berenda branch, Raguel branch, Gurd Shola branch, Lideta branch, Megenagna branch, Saris Nega Bonger branch, Shola branch, Tekle Haymanot Adebabay branch, Tana branch, Tikur Anbesa branch, Urael Bamebis branch and Urael Deopole branch customers. The period within which the research must be completed for submission was less than one academic year. The study topic was selected since the effect of media advertisements and media vehicles are difficult to measure (Belch & Belch, 2003), and not known in Ethiopia at large. Only effect of media advertising on consumers' buying behavior covered in the study since all other components of advertising, consumers' attitude and consumers' buying behavior like information search, evaluation of alternatives, purchase decisions and post purchase evaluations could not be researched to be careful not to be broader or not to be narrower in contents scope.

## **1.6 Significance of the Study**

The study initiates readers to know about the effect of media advertising on consumers' buying behavior related to business or financial services and the factors that make consumers respond to advertising.

Stakeholders like shareholders, management staffs, employees, customers, government institutions, investors, and etc., will be benefited from the outcome of this study by having the correct information and awareness about the effect of media advertising on consumers' buying behavior and the factors that influence consumers to respond to media advertising. Since, the result of the study brings positive effect on consumers' buying behavior, the stakeholders can be motivated to assist the business and build trust, which can lead to increased consensus for the strengthening of the business; ensure to be engaged in the process.

The investor relations enhanced and fueled interests; consequently, the businesses value increase. They support their business to boost to stock value, a reduction in capital costs and stability on financial projects. And this also help similar business firms to use proper types of media advertising knowing their effect on consumers' buying behavior. The implications of the study result help NIB to take media advertising more seriously and adopt the right and effective media ads strategies to influence customers' buying behavior, and so as to give it a better exposure in the fast growing competitive markets. It will help the management staffs to cross-check whether they have effective media planning strategies or not, and to measure return on investment on media advertisement.

As Advertising is one of the many marketing tools used to market a product, value or service, the result of its effect on consumers' buying behavior help the NIB and other financial institutions to develop effective media ads strategies which can enhance perceived value and furthermore, it help to know the specific needs and wants customers are attempting to satisfy and how they translate into purchase criteria, to capture their feedback and create awareness, attract attention, and to persuade consumers toward a purchase decision in a way that meet the customers' wants and needs.

The results help the NIB to understand how consumers gather information regarding various alternatives and use this information to select among competing brands. It helps to know why customers prefer to buy a product or service from alternative brands, and how they are influenced by marketing stimuli towards purchase decision. Make ensure they have enough confidence to design ads that reflect their best talents and effort. The study initiates them to undertake a further investigation or assessment on the topic.

The findings of the study may help the shareholders to know the implementation of the decisions passed regarding the media ads and promotions, and the effect will bring on the consumers purchase



behavior. This study also paves a way for other researchers to conduct further survey on this area and serve as a reference material for students and marketing practitioners.

### **1.7 Organization of the Study**

Presentation of the research results has five chapters. There is an executive summary, list of tables and figures, and definition for acronyms. The first chapter introduces the research topic, the purpose of the study, the research gap identified, significance of the study, general information about the scope of the study and organization of the study. The second chapter presents a related literature reviews concepts and theoretical framework as well as the conceptual framework of the study. In the third chapter the methodology used in undertaking of the study is presented. In the fourth chapter, results of the study will be presented. The fifth chapter is all about summarizing the findings, presenting conclusions and recommendations based on the results of the survey.

## CHAPTER TWO

### REVIEW OF RELATED LITERATURE

#### 2.1 Introduction

Advertising grew naturally out of the social, economic and commercial developments which took place at an earlier stage in our history.' T. R. Nevett, Advertising in Britain- A history, Heinemann, 1982

Advertising, in the 1980s, is inescapable, vital and changing part of our lives. But it in one form or another has been with mankind ever since trading began. Certainly, it was well established in ancient Greece and some actual examples were recovered from under the volcanic ash that preserved the ruins of Pompeii (Wilmshurst, 1985).

Advertising is a way of communication to convince an audience for taking purchase decision about a product or service and delivering information to viewers (Niazi *et al*, 2012). Advertising is a non-personal paid form where an identified sponsor to persuade or influence behavior (Bovee, et al., 1995) promotes ideas, concepts, products or services, and information, through media (visual, verbal, and text). An identified sponsor (Kotler & Keller, 2012) defines advertising as any paid form of non-personal presentation and promotion of ideas, goods or service through mass media such as newspapers, magazine, television or radio. Advertising is the best known and most widely discuss form of promotion. Marketers use advertising for its cost-effectiveness with large audience and it also create brand images and symbolic appeal for a company or brand. It has been established that customers are more likely to consider buying and using certain brand of what they can remember the brand name and something about its attributes or benefits (Kotler and Armstrong, 2003)

#### 2.2 Concept of Advertising

Today, we all have strong concepts of what advertising is, and we also tend to have very strong opinions and prejudices about it. Definitions of advertising are many and varied. It may be defined as a communication process, a marketing process, an economic and social process, a public relations process, or an information and persuasion process, depending on the point of view. Advertising is the non-personal communication of information, usually paid for and usually persuasive in nature, about products, services, or ideas by identified sponsors through various media (Bov'ee and Arens, 1989).

According to Wijaya (2012) a modern definition of advertising includes other important factors, such as media, audience, and goals. Advertising was defined in the journal as a paid form of persuasive communication that uses mass and interactive media to reach broad audiences in order to connect an identified sponsor with buyers (a target audience) and provide information about product (goods, service, and ideas). This definition has five basic factors: is usually paid by the advertiser,

the sponsor is identified, generally reaches a broad audience of potential consumers, seeks to inform and also persuade or influence consumers, and the message is conveyed through many different kinds of mass media and also now interactive types of media.

Advertising is the use of paid-for space in a publication, for instance, or time on television, radio or cinema, usually as a means of persuading people to take a particular course of action, or to reach a point of view. It may also be taken to include posters and other outdoor advertising (Wilmshurst, 1985)

### **2.3 Objectives of Advertising**

An advertisement is one of the topical strategies of many brands for the promotion of their product. The purpose of mass advertisements is to gain attention for the product, ensuring prolonged association with consumers, or for the purpose of recall of their product in customers' mind (Rai, 2013).

Advertiser's primary mission is to reach prospective customers and influence their awareness, attitudes and buying behavior. They spend a lot of money to keep individuals (markets) interested in their products. To succeed, they need to understand what makes potential customers behave the way they do. The advertisers' goal is to get enough relevant market data to develop accurate profiles of buyers-to-find the common group (and symbols) for communications this involves the study of consumers behavior: the mental and emotional processes and the physical activities of people who purchase and use goods and services to satisfy particular needs and wants (Arens, 1996).

To create a demand for new products by explaining its utility, to announce a new product or service, to increase its sales by attracting new customers, to create brand preferences, to expand the market for new buyers, to assist the salesmen in their selling efforts, to warn the public against imitation of the product of the firm, to prepare ground for new products, barring new entrance, make special offers through sales promotion, to neutralize competitors advertising, and to enhance goodwill of the firm. Objective of any advertising is to communicate about the product and services to the prospective customers. General objectives of advertising are to inform the customers about the attributes and uses of the product (Helina, 2012).

Advertising is related and begins with a base of creating awareness and strengthening a company's position or image. It is advertising that makes the companies known. The second role is to create favorable climate for salespeople. In some instances, customers will order directly from the advertising, so the final purpose of advertising is to generate sales (Dwyer and Tanner, 2002). In addition, they define mass media advertising as "non-personal, paid announcements by an identified sponsor to reach large audiences, create brand awareness, help position brands, and build brand images" (Dwyer and Tanner, 2002) .

Advertising is also a valuable tool for building company or brand equity as it is a powerful way to provide consumers with information as well as to influence their perceptions. Advertising can be used to create favorable and unique images and associations for a brand, which can be very important for companies selling products, or services that are difficult to differentiate based on functional attributes. Companies selling their products and services to the consumer market generally rely heavily on advertising to communicate with their target audiences as do retailers and other local merchants. Companies who compete in the business and professional markets to reach current and potential customers (Belch & Belch, 2009) also use advertising extensively.

In today's market, the range of products and services is especially large, they are all impossible to remember or purchase. The main goal of advertising a certain product or service is to attract the customer's attention and analyze the impact of advertising on the customers' behavior, which is determined by a number of cognitive, emotional and behavioral aspects. In the center of advertising is the customer, whose psychology is determined by numerous aspects and advertising itself, which aims at arousing the customers wish to acquire the product advertised, and most importantly, at achieving the act of purchasing the product (Jakštien, Susnien and Narbutas, 2008).

All the efforts to make an advertisement are centered on the sole aim of making it so effective and persuasive in a natural way so as to serve the motto of meeting the consumer psyche in a positive manner (Rai, 2013).

## **2.4 Importance of Advertising**

For any business, advertising may perform a variety of functions when implemented correctly, and its effect may be dramatic. It helps to identify products and their sources and to differentiate them from others, and it communicates information about the products, its features, and its location of sale; it helps to try to induce new products and to suggest reuse. It can stimulate the distribution of products or services on local or global level (Arens, Schaefer & Weigol, 2009).

Advertising can help companies develop consumers' awareness to an unmet need or introduce a product that consumers may see as valuable. This influence is often present when new products enter the market. Customer awareness is often low for these items until companies promote them and attempt to drive customer demand through advertising (Dinu & Dinu, 2012).

Advertising can also use to create images and symbolic appeals for products and services, a capability that is very important to companies that are selling products and services that are very difficult to differentiate. It has the ability to strike a responsive chord with consumers when other elements of the marketing program have not been successful (Belch & Belch, 1990).

According to Ph. Kotler and others (2003), both the businesses and individual sellers should ask themselves what should the advertising of their products and services be and what impact on the customer should it make.

The role of advertisement changes unto what the organization wants them to do. An organization uses the advertising to help them survive from the impacts of economic trends. Still, the economists views that the advertising plays a significant effect on the consumer behavior and in a long process, the advertising can lead the organization to competition. Based on the understanding regarding the advertising, the approach rooted in the organization's search for the right answer on the effect of the competition. Consequently, the accepted basic role of the advertising is to provide the consumers with the right amount of information regarding the product or services, which is related to the objective of the competition and that is to deliver the consumer satisfaction. In this view, the level of advertising affects the consumer who is the focus of the organization (Park, 1996), as cited by Vivekananthan, (2010).

According to Rahman (2012) advertising plays an important role in the process of moving the goods/services from the producers to the consumers. With mass marketing to distribute the output of production, the GDP (Gross Domestic Product) may increase to a considerable extent. Advertising helps to increase mass marketing while aiding the consumer to choices and preferences from amongst the variety of products and services offered for his selection and option. It was only in the latter half of the 19th century, that mass advertising, as we know it today, came into being. Mass production became a reality, and channels of distribution had to be developed to cope with the physical movement of goods, creating a need for mass communication to inform consumers of the choices available to them. We are all influenced with advertisements in our day to day life. Its forms and contents both are well liked amongst consumers. In other words advertising is simply an economic movement with only one objective behind to increase the consumer demand of the product as well as to enhance the sales volumes.

Advertisements tend to be highly informative and present the customer with a number of important product attributes or features that will lead to favorable attitudes and can be used as the basis for a rational brand preference. People get information from the advertisement through the attractiveness it holds, the attention it creates and the awareness it gives. (Arens, 1996)

Advertising is also a type of communication. It is actually a very structured form of applied communication, employing both verbal and non-verbal elements that are composed to fill specific space and time determined by sponsor. Effective communication through advertisement leads the consumers toward the purchasing of brand (Belch & Belch, 1998).

## **2.5 Negative Effect of Advertising**

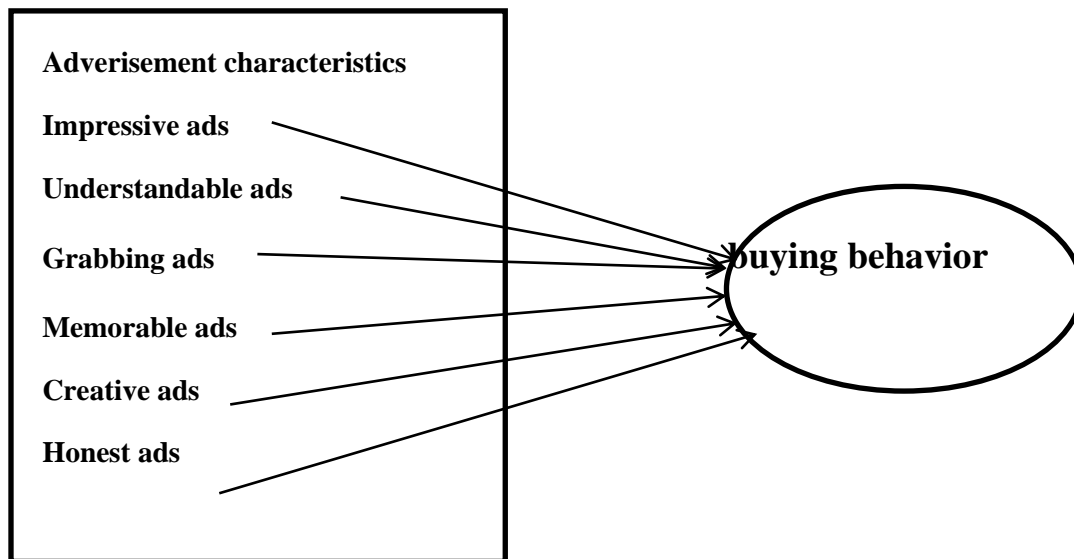
Advertising is the most visible activity of business. What a company may have doing privately for many years suddenly becomes public the moment it starts to advertise. Advertising is widely criticized not only for the role it plays in selling products or services but also for the way it influences our society. As a selling tool, advertising is attacked for its excesses. Some critics charge that, at its worst, advertising is downright untruthful, and at best, it presents only positive information about products. Others charge that advertising manipulates people psychologically to buy things they can't afford by promising greater sex appeal or improved social status. Still others attack advertising for being offensive, in bad taste, or simply too excessive (Bov'ee & Arens, 1989). According to American humorist Will Rogers, advertising is "the art of convincing people to spend money they do not have for something they do not need." Like Rogers, modern critics of advertising highlight its negative effect, claiming that ads foster impulse buying. However, advertising also provides consumers with valuable information about products being offered for sale (Lindblad, 2013).

Advertising is Superficial. The basic criticism of advertising here is that it frequently carries little, if any, actual product information. What it does carry is said to be hollow ad-speak. Ads are rhetorical; there is no pure "information." All information in ads is biased, limited, and inherently deceptive. Advertising Wastes Resources and only raises the standard of Living for some. One of the traditional criticism of advertising is that it represents an inefficient, wasteful process that channels monetary and human resources in a society to the "reshuffling of existing total demand," rather than to the expansion of total demand. Advertising thus brings about economic stagnation and a lower standard of living (O'Guinn, Allen and Semenik, 2000). Advertising Creates Needs. A common cry among critics is that advertising creates and makes people buy things they do not really need or even want. The argument is that consumers are relatively easy to seduce into wanting the next shiny bauble offered by marketers. Advertising Promotes Materialism. It is also claimed that individuals' wants and aspirations may be distorted by advertising. The longstanding argument is that in societies characterized by heavy advertising, there is a tendency for conformity and status-seeking behavior, both of which are considered as materialistic and superficial. Advertising Perpetuates Stereotypes. Advertisers often portray their target customer in advertisements, with the hope that individuals will relate to the ad and attend to its message. Critics charge that this practice yields a very negative effect-it perpetuates stereotypes (Arens, Schaefer & Weigol, 2009).

The most painful negative effect of advertising is the complete and utter degradation of some forms of art. Almost nothing you see on television or hear on the radio is done for the sake of creativity. Everything you see or hear now is meant to sell you something. All the singers are singing about

something you should buy, all the dancers are dancing around a new perfume, all the cartoons are telling you what to get your kids for Christmas (Nartey, 2010). Advertising has often taken the route of causing “shock and awe” to gain the attention of a consumer; these campaigns occasionally backlash which has an immense negative effect on a business. Shock and awe marketing campaigns cause discomfort within a marketplace in which users may take to talking with others to denounce a business and their practices (Lunn, 2011).

## 2.6 A Conceptual Framework



*Figure 2.1 Conceptual Framework*

**Source:** Adopted from (Prabakaran, Pooja Sharma 2012, et.al),

## 2.7 Research Hypothesis

Research hypothesis is a formal question that the researcher intends to resolve. It may be defined as a proposition or a set of proposition set forth as an explanation for the occurrence of some specified group of phenomena either asserted merely as a provisional conjecture to guide some investigation or accepted as highly probable in the light of established facts. Quite often a research hypothesis is a predictive statement, capable of being tested by scientific methods, that relates an independent variable to some dependent variable (Kothari, 2004).

The hypotheses formulated after reviewing the relevant literature were presented below:

**H1:** Is there a significant relationship between impressive advertisement and consumers buying behavior.

**H2:** Is there a significant relationship between understandable advertisement and consumers buying behavior.

**H3:** Is there a significant relationship between attention grabbing advertisement and consumers buying behavior.

**H4:** Is there a significant relationship between memorable advertisement and consumers buying behavior.

**H5:** Is there a significant relationship between creative advertisement and consumers buying behavior.

**H6:** Is there a significant relationship between trust advertisement and consumers buying behavior.



## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.1 Introduction

The purpose of this chapter is to describe about the methodology of the research. In the chapter research design, target population, sample size and sampling method, source of data, method of data collection, method of data analysis, reliability and validity, and the ethical issue would be discussed in depth

#### 3.2 Description of the Study Area

Descriptive research studies are those studies, which are concerned with describing the characteristics of a particular individual, or of a group. Most of the social research comes under this category. The major purpose of descriptive research is description of the state of affairs as it exists at present (Kothari, 2004).

Nib International Bank (NIB) was established on 26 May 1999 under license no. LBB/007/99 in accordance with the Commercial Code of Ethiopia and the Proclamation for Licensing and Supervision of Banking Business Proclamation no. 84/1994 with the paid up Capital of birr 27.6 and authorized capital of Birr 150 million by 717 Shareholders. The Bank commenced its operation in 28 October 1999 by 27 employees. It joined the banking industry as the sixth private bank .Other than rendering fulfilled Domestic and International Banking services the Bank Among others, the Bank has registered a steady growth and achievement in all aspects of its operations since its establishment. At the close of 2018/19 financial year, the bank total outstanding loans & advances stood at birr 19.4 billion, reflecting an increase of birr 5.7 billion (41.9%) compare with the previous financial year balance of birr 13.7 billion. The total deposit mobilization by the bank reached birr 27.7 billion which shows absolute growth of birr 6 billion. The number of deposit accounts of the bank reached 875,417 from the level of 679,178. The Bank's employees reached more than 4,797 as at March 2019.

The total asset of the bank reached birr 33.7 billion exceeding the balance of corresponding last year figure of birr 26.7 billion by birr 7.01 billion registering a growth rate of 26.3%.

#### 3.3 Research Approach

This study employed Quantitative research approach to meet the purpose of the study. Customer buying behavior is a dependent variable which is influenced by various independent variable, these are: impressive Advertisement, understandable advertisement, attention grabbing advertisement,

memorable advertisement, honest advertisement and creative advertisement. These variables are numerically tested for their relation by applying statistical methods.

### **3.4 Research Design**

The appropriate research approach for this study is both descriptive and explanatory approach as the main objective of the paper is to describe and explain the effect of media advertising on customer buying behavior.

### **3.5 Sampling Design**

#### **3.4.1 Target Population of the Study**

According to Zikmund (2013), a population is any complete group that shares some set of characteristic. NIB bank has one hundred eighty four branches operating in A.A. However to make the study manageable the researcher focused on 10% of these branches; which is nearly eighteen branches. As a result the target population of the study was eighteen NIB branches' customers found in Addis Ababa. Currently there are approximately 180,000 customers in these eighteen branches.

The reasons behind choosing Addis Ababa for the study were that Addis Ababa consists of nearly half of the total branches of the bank. Another reason for selecting Addis Ababa is that it is relatively easier for the researcher to conduct the study with a given limited time and financial resources.

#### **3.5.2 Sampling Frame**

The sample frame in this study involved customers of NIB Bank under Addis Ababa 18 branches. However, only representative number of customers will be included in this study.

#### **3.5.3 Sampling Technique**

In this study Systematic sampling method is applied in selecting branches where research had been conducted. In this technique, the sampling frame is ordered according to year of establishment and branch is selected at regular intervals through that ordered list.

The required number of samples from each branches' were selected by using a non-probability sampling approach or a convenience sampling method was applied because of the banks' policy of keeping its customers' list confidential; they were asked to fill the questionnaire as they appear to the branches.

#### **3.5.4 Sample Size**

To get a representative sample for the population under this study the following sampling technique was used which is developed by (Kothari, 2004).

$$n = \frac{Z^2 pq}{e^2}$$

Where,

n = Sample size 0.0025

Z = z value at specified confidence interval, z=1.96 at 95% confidence interval

p = Probability of positive response (0.5)0.0025

Q=1-p (0.5) = 1-0.5=0.5

Q= Probability of negative response (0.5)

e – Desired level of precision ( $\pm 5\%$ ) = 5/100 = 0.05

$$n = \frac{Z^2 pq}{e^2} \quad n = \frac{(1.96)^2 (0.5) (0.5)}{(0.05)^2} = 384.16 \approx 384$$

Source: Kothari, 2004

Based on the above information, the sample size (n) is calculated for the target population of 180,000 and it is 383.41. Nevertheless the researcher added (38)  $\approx 10\%$  of the sample size to compensate unreturned or non-usable questionnaires. Therefore, the study's sample size of 421 is considered to represent the population. By using the sample size obtained from the above formula, the proportion was determined for each branch. However, after data collection the sample size was reduced to 365, due to non-response and missing values. The sample proportion is presented in the following table.

Area banks	Target population		Sample
	Number	Percentage	
Abakoran branch	30855	11%	47
Addis Ababa City, main branch	39270	14%	59
Africa Avenue	36465	13%	55
Bisrate Gabriel	28050	10%	42
Bole Medhanalem branch	14025	5	25
Ehil Berenda	11220	4	21
Gurd Shola	11277	4	17

Lideta	14047	5	21
Mahal Merkato branch	11210	4	17
Megenagna	11185	4	17
Raguel	11275	4	17
Saris Nega Bonger branch	11150	4	6
Shola branch	5625	2	10
T/Adebabay branch	11190	4	17
Tana branch	5555	2	9
Tikur Anbesa branch	5600	2	9
Urael Bamebis branch	14050	5	20
Urael Deopole branch	8415	3	11
Total	280,464	100%	421

*Table 3.1 Sample Size Determination*

### **3.6 Source of Data Collection**

Both primary and secondary sources of data were used in the study.

#### **3.6.1 Primary Source**

The primary data are those which are collected afresh and for the first time, and thus happen to be original in character. I collect primary data during the course of doing experiments in an experimental research but in case we do research of the descriptive type and perform surveys, whether sample survey or census survey, then we can obtain primary data either through observation or through direct communication with respondents in one form or another or through personal interviews (Kothari, 2004). Hence Primary data was obtained from selected respondents using questionnaire.

#### **3.6.2 Secondary Source**

The secondary data obtained through document analysis to supplement the primary data. A number of books, journals and articles on media advertising and consumer behavior were reviewed.

### **3.7. Data Collection Method**

To fulfill the purpose of the study, the researcher used structured questionnaire. The questionnaire has two parts the first part was intended to understand the personal information of respondents using nominal scale. The second part consist the perception of respondents

regarding the constructs of the model. In the questionnaire a 5 points Likert scale rating technique was employed. Which starts with 1= strongly disagree to 5= strongly agree.

Summated scales (or Likert-type scales) are developed by utilizing the item analysis approach wherein a particular item is evaluated on the basis of how well it discriminates between those persons whose total score is high and those whose score is low. Thus, summated scales consist of a number of statements which express either a favorable or unfavorable attitude towards the given object to which the respondent is asked to react. The respondent indicates his agreement or disagreement with each statement in the instrument (Kothari, 2004).

### 3.8. Data Analysis Methods

Before analyzing, the data that was collected using structured survey/quantitative approach was edited, coded, cleaned and entered into the computer. This process is essential and saved a lot of headache later (Pallant 2005). Therefore the collected data was first coded with SPSS software for the sake of easiness and data collected had been fed to the SPSS. Also the data were classified in terms of different criteria and error was omitted, explained and corrected by using descriptive, correlation and regression analysis so as to facilitate the interpretation of the raw data. Finally, the data was effectively processed, analyzed and interpreted by using different tables and chart, in order to show the result of the study easily.

As a result, descriptive and inferential analyses were conducted by employing different methods. In descriptive statistical analysis such as frequency and percentage was used to analyze the data that was collected from sample respondents in the survey in relation to their attitudes, knowledge, and opinions toward advertising. In inferential Cronbach's Alpha test took place to assure reliability of the items. Regressions and correlation analysis were also used to analyze the impact and the relationship between the dependent and independent variables.

## **3.9. Validity and Reliability**

Reliability is the degree to which an assessment tool produces stable and consistent results while validity refers to how well a test measures what it is purported to measure (Stern, 1992).

### **3.9.1. Validity**

Validity involves the degree to which you are measuring what you are supposed to, more simply, the accuracy of your measurement (John et al., 2010). In order to ensure the quality of this research design; content validity of the study were checked. The content validity was verified by the advisor of this

research, who was looking into the appropriateness of questions and the scales of measurement. Peer discussion was also another way of checking the appropriateness of the questions. Moreover, the pilot test that was conducted prior to the actual data collection has helped to get valuable comments.

### 3.9.2. Reliability

Internal consistency or reliability is a measure of consistency between different items of the same construct. Cronbach's alpha is a reliability measure designed by Lee Cronbach in 1951 (Bhattacharjee, 2012). It is a coefficient of reliability and it is commonly used as a measure of the internal consistency or reliability of a psychometric test score for a sample of examinees. For testing the reliability of the data instrument Cronbach's Alpha was calculated. According to Zikmund, Babin and Griffin (2010) scales with coefficient alpha between 0.8 and 0.95 are considered to have very good quality, scales with coefficient alpha between 0.7 and 0.8 are considered to have good reliability, and coefficient alpha between 0.6 and 0.7 indicates fair reliability. In order to increase the reliability of the survey and the entire research, the questions were also pre-tested with 50 respondents. Based on the test, ambiguities were removed and questions that were not measuring what they were intended to measure were dropped. The survey results were also verified against key informant interview and review of literature.

Variables	Cronbach's Alpha	Number of items
Impressive ads	.981	4
Understandable ads	.949	4
Attention grabbing ads	.995	4
Memorable ads	.817	4
Creative ads	.937	4
Honest ads	.854	4
Consumer Buying Behavior	.914	8

*Table 3.1 Reliability Test*

Source: Own survey result (2020)

From the above table 3.2 evidenced that in this study reliability tested, the alpha value for seven variable were measured ,tested and number of question in the instrument identified , finally alpha result was determined this increase confidence that the instrument would yield acceptable results and it proved that scales with coefficient alpha acceptable.

### **3.10 Ethical Consideration**

When collecting data for the study, first an authorized correspondence memo to conduct the research would be obtained from St. Mary's university school of graduate studies. Then the letter would hand to the targeted branches of NIB international bank which the study may concern. Then the researcher would explain the purpose and nature of the study for respondents and asked for their informed consent to be participating or not. Apart from that, some briefings would be written on the heading of every questionnaire as respondent's information would be strictly confidential and only taken for academic purposes, and will not be used for any personal interest and also the whole process of the study controlled to be within acceptable professional ethics. Moreover, a statement confirms the prohibition of including any identity detail or personal references in the questionnaire. This was to avoid any biased response or unauthentic data provided by respondents and to make participants safer in filling the questionnaire. After that, the researchers collected the information and would analyze the study according to the response. Findings must be reported with a complete and honest fashion, without misrepresenting what has been done or intentionally misleading others as to the nature of it. Data may not be fabricated to support a particular conclusion. Finally, a copy of the final report would be given to the universities.

## **CHAPTER FOUR**

### **DATA PRESENTATION, ANALYSIS AND INTERPRATION**

#### **4.1 Introduction**

In this chapter, the collected data from the customers of the eighteen branches of NIB Bank S.C are summarized and analyzed. The data analysis was made with the help of Statistical Package for Social Science (SPSS version 20).

The purpose of this study was to investigate the effect of Media Advertising on Customer Buying Behavior in the case of NIB Bank S.C.

This chapter is organized in a format to present the characteristics of the sample population, the most important findings of the study and summary of findings. To test the hypotheses and achieve objectives of the study, a multiple linear regression analysis were employed. Pearson's Correlation Coefficients were also calculated to observe the relationships between the various variables influencing customer buying behavior and to see the internal consistency of the measures.

A total of 421 questionnaires were distributed to customers of NIB in eighteen branches (10% of the total branches) that are situated in Addis Ababa. Out of the 421 questionnaires 370 (87.89%) were returned. In order to make the collected data suitable for the analysis, all questionnaires were screened for completeness. During the data editing the collected questionnaires were checked for errors and completeness. As a result 5 incomplete questionnaires were identified and discarded. Therefore 365 questionnaires with 86.7 % response rate were used. The data obtained from the respondents were summarized using frequency distribution by using SPSS version 20. The summarized data analyzed by applying descriptive analysis method using tables, charts, figures and chi-square test and detailed explanations were given. Finally, interpretations were made to demonstrate the effect of media ads on consumers' buying behavior, using the frequency table, percentages and figures.

#### **4.2 Demographic Information of the Respondents**

The first part of the questionnaire consists of the demographic information of the participants. This part of the questionnaire requested some information related to personal and demographic characteristics of respondents. Accordingly, the following variables about the respondents were summarized and described in the table below. These variables includes: Characteristics of respondents by age, sex, educational level, marital status.



<b>Sex of the Respondent</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	170	46.6	46.6	46.6
	Female	195	53.4	53.4	100
	Total	365	100	100	
<b>Age of the Respondents</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25	96	26.3	26.3	26.3
	26-35	116	31.8	31.8	58.1
	36-45	105	28.8	28.8	86.8
	above 45	48	13.2	13.2	100
	Total	365	100	100	
<b>Occupation of the Respondent</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Government employee	99	27.1	27.1	27.1
	Private Employee	146	40	40	67.1
	NGO employee	89	24.4	24.4	91.5
	self-employee	31	8.5	8.5	100
	Total	365	100	100	
<b>Educational Level</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Grade 1-12	7	1.9	1.9	1.9
	TVET	16	4.4	4.4	6.3
	College Diploma	64	17.5	17.5	23.8
	First degree	182	49.9	49.9	73.7
	Master's degree and above	96	26.3	26.3	100

	Total	365	100	100	
<b>Monthly Income</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Br. 5,000.00 and below	80	21.9	21.9	21.9
	Br. 5,001.00 - 10,000.00	90	24.7	24.7	46.6
	Br. 10,001.00 – 25,000.00	149	40.8	40.8	87.4
	Br. 25,001.00 – 35,000.00	21	5.8	5.8	93.2
	Br. 35,001.00 and above	25	6.8	6.8	100
	Total	365	100	100	
<b>Marital Status</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	202	55.3	55.3	55.3
	Married	108	29.6	29.6	84.9
	Divorced	55	15.1	15.1	100
	Total	365	100	100	
<b>I rely on advertisement to make purchase decision</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	161	44.1	44.1	44.1
	Yes	204	55.9	55.9	100.0
	Total	365	100.0	100.0	
<b>Which factors make you to use NIB Bank products?</b>					
		Frequency	Percent	Valid Percent	Percent
Valid	Family	87	23.8	23.8	23.8
	Friends	112	30.7	30.7	54.5
	Society	71	19.5	19.5	74.0
	life style	53	9.9	14.5	88.5

Culture	42	16.2	11.5	100.0
Total	365	100.0	100.0	

**Source: field survey, 2020**

*Table 4.2.1 Demographic Background of Respondent*

The above table 4.2.1 shows that out of the total 365 respondents, 195 (53.4 %) of the sampled respondents were females and 170 (46.6 %) males. From this result even though the bank has been serving both sexes, females are the foremost ones. It might be the way of life in our society that females are more concerned on saving than men. However, it should be more motivating to additional study in the future whether advertisement will have any effect on gender or not.

The age distribution of the sampled respondents showed that 116 (31.8 %) of the respondents were aged between 26-35 years, 105 (28.8 %) of them were aged between 36-45 years, 96 (26.3 %) of them were between 18-25 years 48 (13.2 %) of the respondents were above 45 years. The result shows that majority of the respondents were aged between 26-35 years. As the result, these age groups have been exposed to media advertising because their desire was stimulate towards getting the right information about products and services that satisfy their unmet needs and wants.

On the occupational status of the respondent 99 (27.1 %) of the respondent were government employees, 140 (40 %) of them were private employees, 89 (24.4 %) were NGO employees, & 31 (8.5 %) of them were self-employees. This is clearly publicized that the majority of the banks customers are private employees.

Regarding the education level of the respondents most of the bank's account holders have first degree 182 (49.9 %) followed by customers with master's degree & above which accounted 96 (26.3 %) of the total sample population respectively. Besides, 64 (17.5 %) of the respondents have a college diploma, 16 (4.4 %) have TVET and 7 (1.9 %) of the respondents have primary education. Thus, from this result we conclude that the effect of media advertising was appeared more on a higher educational background. This indicates that the country has producing educated people who are active in the economic development of the country. As the result, there is also higher money exchange in the economy.

Regarding income group of the respondents from the total sample population 40.8 % of respondents have an income fall in-between 10,001-25,000birr. Followed by 24.7 % this earns an income of 5,001-10,000 birr, 21.9 % earns 5,000 birr & below, 6.8 % of respondents earn 35,000 birr & above, and the remaining 5.8 % earn birr 25,001-35,000 birr respectively.

Moreover, on the issue of marital status of the sampled respondents, 202 (55.3 %) of the respondents were single whereas the remaining 108 (29.6 %) and 55 (15.1 %) of the respondents were married and divorced respectively. This shows that the majority of the respondents were single.

Out of the total 365 participant 204 (55.9 %) of the respondents relays on the Bank’s advertisement to make their purchase decision. while 44 (12.2%) of the customers were not relaying on advertisement on making purchase decision.

Concerning the reason buying NIB bank’s service 30.7 % of the respondents were motivated by friends to purchase the bank service. And 23.8%, 19.5%, 14.5% and 11.5% of the respondents were motivated by family, society, culture and life style respectively. Among the factors life style had least contribution. Due to this fact, most of the respondents were influenced by friends of the consumers.

		Frequency	Percent	Valid Percent
Valid	Television Advertisement	105	28.8	5.8
	Radio Advertisement	116	31.8	31.8
	Newspaper Advertisement	21	5.8	28.8
	Magazine advertisement	48	13.2	13.2
	Wall branding and banners	26	7.1	7.1
	In different bazaars and events	49	13.4	13.4
	Total	365	100.0	100.0

*Table 2.2.2 Media of Advertisement, Which Influence Consumers Buying Behavior*

Source: Field survey, 2020

As can be shown from table 4.2.3 above it is clear that 116 (31.8 %) of the respondents got Nib bank service information from radio advertisement. Whereas 105 (28.8 %) of them got bank service information from television Advertisement, 49 (13.4%) of them from in different bazaars and events, 48 (13.2%) of them from magazine advertisement. Only 26 (7.1 %) and 21 (5.8 %) of the sampled respondents choose wall branding and banners and newspaper advertisement respectively. This indicates that NIB bank should adopt radio advertisement and television media advertisement as to address or communicate consumers.

		Frequency	Percent	Valid Percent

Valid	Advertisement being impressive	38	10.4	10.4
	Advertisement being simple to understand	116	31.8	31.8
	Advertisement being attention grabbing	105	28.8	28.8
	Advertisement being memorable	48	13.2	13.2
	Advertisement being creative	16	4.4	4.4
	Advertisement being honest	42	11.5	11.5
	Total	365	100.0	

*Table 4.2.3 AD Features Influence NIB Banks Consumers Buying Behavior*

Source: Field survey, 2020

From The above table 4.2.3 it is clear that majority of the respondents 116 (31.8%) believed advertisement being simple to understand is very important to motivate consumers buying decision. The remaining, 105 (28.8 %), 48 (13.2 %), 42 (11.5 %), 38 (10.4 %) and 16 (4.4 %) of the respondents answered the advertisement being attention grabbing is important, being memorable, honest, being impressive and creative respectively in order to motivate consumers buying behavior.

		Frequency	Percent	Valid Percent
Valid	Impact of service delivery	96	26.3	26.3
	Impact of advertisement	116	31.8	31.8
	To try new option	105	28.8	28.8
	Influence by friends	48	13.2	13.2
	Total	365	100.0	100.0

*Table 4.2.4 Reason of the Respondents to Switch to Other Bank Service Provider Company*

**Source: Field survey, 2020**

From the above table 4.2.4 it is clear that most of the participants could switch their preference to other Bank service provider companies because of impact of advertisement and to try new options, impact of advertisement 116 (31.8 %) and to try new options 105 (28.8 %). The remaining, 96 (26.3 %) and 48 (13.2 %) of the respondents could switch their preference because of poor service delivery and influence by friends respectively. This indicates that NIB bank should design detail and effective

advertisement strategy by taking in to consideration the aforementioned six effective advertisement characteristics.

		Frequency	Percent	Valid Percent
Valid	very satisfied	168	43.2	43.2
	Satisfied	76	19.5	19.5
	Neither satisfied nor unsatisfied	19	4.9	4.9
	Unsatisfied	64	16.5	16.5
	Very Unsatisfied	62	15.9	15.9
	Total	389	100.0	100.0

*Table 4.2.5 Level of Satisfaction Regarding the Services in NIB Bank.*

Source: Field survey, 2020

From Table 4.2.5 it is clear that 62.7 % of the respondents were satisfied regarding the services of Nib bank S. C. And 4.9 % neither satisfied nor dissatisfied the service provided by the bank .The remaining 32.4 % of the respondents expressed their view regarding the services of the bank, in aggregate unsatisfied respectively.

### 4.3 Descriptive Analysis

#### 4.3.1 Mean Score for Customer Buying Behaviors

	N	Mean	Ranking
Create ads	365	<b>3.7175</b>	1
Understandable ads	365	<b>3.63</b>	2
Memorable ads	365	<b>3.475</b>	3
Attention grapping ads	365	<b>3.4275</b>	4
Honest ads	365	<b>3.335</b>	5

Impressive ads	365	3.115	6
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*Table 4.3.1 Mean Score on Media Advertising Dimensions*

**Source: Field survey, 2020**

The above table depicts that the mean score of customer's buying behaviour from NIB bank. Accordingly the result of the mean scores is ranks as one being the highest mean score while six being the least score. Customers have the highest buying behaviour for the create advertisement dimension being the first highest mean score of (3.7175). Secondly customers buying trend more in understandable advertisement (3.63) of the service buying dimensions. The third and fourth dimensions with respect to buying behavior of customers are memorable advertisement (3.475) and attention grapping advertisement (3.4275) respectively, and followed by honest advertisement (3.335) and impressive advertisement (3.115) respectively. The second part deals with NIB customers' response of media advertising dimensions which include: impressive advertisement, simple to understand advertisement, being grabbing advertisement, being memorable advertisement, being honest advertisement and being creative advertisement. The second part is Customer buying behavior. In order to compare the Media advertising effect on buying behavior descriptive statistics, mean and standard deviation is used. Mean value shows the average of all customers' responses on each dimension, the higher the mean the more the respondents agree with the statement while the lower the mean the more the respondents disagree with the statement. While standard deviation shows how diverse the responses of customers are for a given construct.

According to Dawes, (2009) to determine the minimum and the maximum length of the 5-point Likert type scale, the range is calculated by  $(5 - 1 = 4)$  then divided by five as it is the greatest value of the scale  $(4 \div 5 = 0.80)$ . Afterwards, number one which is the least value in the scale was added in order to identify the maximum of this cell. The length of the cells is determined below:

- From 1 to 1.80 represents (strongly disagree).
- From 1.81 until 2.60 represents (do not agree).
- From 2.61 until 3.40 represents (true to some extent).
- From 3.41 until 4.20 represents (agree).
- From 4.21 until 5.00 represents (strongly agree).

Source: Dawes (2009)

<b>Descriptive Statistics</b>			
<b>Impressive ADS</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
The advertisement message is impressive as a result it helps me to decide to buy the product/service.	365	3.18	1.893
An impressive ad doesn't motivate the consumer for purchasing products/service.	365	3.13	1.855
New impressive advertisement of a product or service is not a signal of new offers.	365	3.05	1.894
I believe there is always misinformation behind impressive advertisement.	365	3.10	1.852
Overall mean of impressive ads	365	<b>3.115</b>	
Valid N (listwise)	365		

*Table 4.3.2 Impressive Advertisement*

**Source: Field survey, 2020**

All Advertising Media measurement items counted a mean between 2.61 and 3.40 point hence it implies that the Bank's customers are to some extent influenced by media used for advertisement. The advertisement message is impressive as a result it helps me to decide to buy the product/service with a mean value of 3.18 meaning NIB customers are to some extent the advertisement message is impressive as a result it helps me to decide to buy the product/service. An impressive ad doesn't motivate the consumer for purchasing products/service and I believe there is always misinformation behind impressive advertisement scored mean values of 3.13 and 3.10 respectively. Besides to this New impressive advertisement of a product or service is not a signal of new offers with a mean value of 3.05. Though impressive Media Advertisement has scored lowest mean value of 3.05, it is also above the cutting point 3.18.



<b>Descriptive Statistics</b>			
<b>Understandable advertisement</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
The advertisement message is simple to understand as a result it helps me to decide to buy the product/service	365	3.60	1.722
The advertisement is complex, confusing and inaccurate.	365	3.68	1.683
The facts in the ad don't convince me to different features of the products /service.	365	3.66	1.659
Since the ad is very confusing, I cannot understand what the ad is all about.	365	3.59	1.664
Overall mean of understandable ads	365	<b>3.63</b>	
Valid N (listwise)	365		

*Table 4.3.3 Understandable Advertisement*

Source: Field survey, 2020

Being simple to understand result depicted mean of 3.63 which is between 3.41 and 4.20 point hence it implies that the Bank's customers are influenced by being simple to understand. As it can be seen from the table above under the being simple to understand variable, the output of the sample statistics shows that the advertisement is complex, confusing and inaccurate score highest mean of 3.68 meaning customers of NIB are highly complex, confusing and inaccurate by advertisement undertaken by the company and the facts in the ad don't convince me to different features of the products /service with a mean value of 3.66, whereas, The advertisement message is simple to understand as a result it helps me to decide to buy the product/service and Since the advertisement is very confusing, I cannot understand what the ad is all about with the lowest mean score of 3.43 and 3.6 respectively. The score of the above presented measurement item implies that being simple to understand influences NIB customer buying behavior.

<b>Descriptive Statistics</b>			
<b>Attention grabbing ads</b>	N	Mean	Std. Deviation
The advertisement message is attention grabbing as a result it influences me to decide to buy the product/service.	365	3.40	1.623
This ad is not better than other ads that have the same message.	365	3.45	1.580
I believe the ad has a low degree of visual magnetism	365	3.42	1.601
Every time I look this ad it makes me discomfort.	365	3.44	1.572
<b>Overall mean of attention grabbing ads</b>	365	<b>3.4275</b>	
Valid N (listwise)	365		

*Table 4.3.4 Attention Grabbing Advertisement*

**Source: Field survey, 2020**

Being simple to grabbing attention result depicted mean of 3.4275 which is between 3.41 and 4.20 point hence it implies that the Bank's customers are influenced by being simple to grabbing attention. As it can be seen from the table above under the being simple to grabbing attention variable, the output of the sample statistics shows that the advertisement is not better than other advertisements that have the same message score highest mean of 3.45 meaning customers of NIB are the means of the advertisement compared to other means is not better tan another advertisement means, whereas, Every time I look this ad it makes me discomfort with a mean score of 3.44 and I believe the ad has a low degree of visual magnetism and The advertisement message is attention grabbing as a result it influences me to decide to buy the product/service with the lowest mean score of 3.42 and 3.40 respectively. The score of the above presented measurement item implies that being simple to grabbing attention influences NIB customer buying behavior.

<b>Descriptive Statistics</b>			
<b>Memorable Advertisement</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
The advertisement message is memorable as a result it influences me to decide to buy the product/service.	365	3.57	1.673
The ad always reminds me how to have better and healthy life style.	365	3.33	1.764
Since the ads are so weak, they don't sticks in my brain for long time.	365	3.42	1.620
Mostly I discuss the ad message with my friends after viewing it.	365	3.58	1.623
Overall mean of memorable ads	365	<b>3.475</b>	
Valid N (listwise)	365		

*Table 4.3.5 Memorable Advertisement*

**Source: Field survey, 2020**

Being memorable result depicted mean of 3.475 which is between 3.41 and 4.20 point hence it implies that the Bank's customers are influenced by being simple to memorable. As it can be seen from the table above under the being memorable variable, the output of the sample statistics shows that mostly I discuss the ad message with my friends after viewing it score highest mean of 3.58 meaning customers of NIB are the customers of NIB are memorize the service and discuss with their friend, whereas, The advertisement message is memorable as a result it influences me to decide to buy the product/service with a mean score of 3.57 and Since the ads are so weak, they don't sticks in my brain for long time and The ad always reminds me how to have better and healthy life style with the lowest mean score of 3.42 and 3.33 respectively. The score of the above presented measurement item implies that being memorable influences NIB customer buying behavior.

<b>Descriptive Statistics</b>			
<b>Creative ads</b>	N	Mean	Std. Deviation
The advertisement message is creative as a result it influences me to decide to buy the product.	365	3.56	1.884
Creative advertisement is the only tool in increasing consumers buying appetite.	365	3.75	1.800
Great advertising is the creative expression of understanding the market needs.	365	3.73	1.769
The ad doesn't have any new information and features.	365	3.83	1.730
Overall mean of creative ads	365	<b>3.7175</b>	
Valid N (listwise)	365		

*Table 4.3.6 Creative Advertisement*

Source: field survey, 2020

Being creative result depicted mean of 3.7175 which is between 3.41 and 4.20 point hence it implies that the Bank's customers are influenced by being creative. As it can be seen from the table above under the being creative variable, the output of the sample statistics shows that the advertisement doesn't have any new information and features score highest mean of 3.83 meaning customers of NIB are the customers of NIB have didn't get any new information and features, whereas, Creative advertisement is the only tool in increasing consumers buying appetite with a mean score of 3.75 and Great advertising is the creative expression of understanding the market needs and the advertisement message is creative as a result it influences me to decide to buy the product with the mean score of 3.73 and 3.56 respectively. The score of the above presented measurement item implies that being creative influences NIB customer buying behavior.

<b>Descriptive Statistics</b>			
<b>Honest Advertisement</b>	N	Mean	Std. Deviation
The advertisement message is honest as a result it influences me to decide to buy the product/service.	365	3.30	1.645
The ad creates wrong, irrelevant or totally different picture of the product that it is in reality.	365	3.47	1.650
Reliable ad doesn't give room for product/service and market comparison.	365	3.26	1.580
Since ads are always unrealistic, I cannot consider them as honest.	365	3.31	1.553
<b>Overall mean of honest ads</b>	365	<b>3.335</b>	
Valid N (listwise)	365		

*Table 4.3.7 Honest Advertisement*

Source: Field survey, 2020

As observed from the above table 4.3.7 on the advertisement being honest analysis result has the highest mean of 3.335. And under this variable the advertisement creates wrong, irrelevant or totally different picture of the product that it is in reality features scored with the highest mean value of 3.47 followed by the advertisements are always unrealistic, I cannot consider them as honest with a mean score of 3.31. Similarly the rest measurement items of being honest scored with the mean range of 2.61 to 3.40 which means customers agreed that being honest true is to some extent influences NIB customer buying behavior.

<b>Descriptive Statistics</b>			
<b>Customers Buying behavior</b>	N	Mean	Std. Deviation
I am happy being the customer of NIB bank.	365	2.95	1.657
I believe in advertisement because it helps to get information and facts.	365	3.01	1.675
The ads of NIB bank played a key role on the buying of quality service.	365	2.94	1.714
A regular and consistent ad of NIB bank enables it in staying and winning the market competition.	365	2.84	1.670
There is not a big difference between the message in the ad and the reality.	365	2.87	1.676
New ad of a service is a signal of new offers or incentives	365	2.70	1.637
Knowing the service's latest information may depend on advertising.	365	3.18	1.682
There is positive and significant relationship between advertising and consumers buying behavior of the products.	365	3.5041	1.70104
<b>Overall mean of customers buying behavior</b>	365	<b>2.9993</b>	
Valid N (listwise)	365		

*Table 4.3.8 Customers Buying Behavior*

Source: Field survey, 2020

The measurement items in the above table 4.3.8 indicate that there is positive and significant relationship between advertising and consumers buying behavior of the products with the highest mean score of 3.5014 and the customers of NIB Bank knowing the service's latest information may depend on

advertising with mean value of 3.18. And lastly new advertisement of a service is a signal of new offers or incentives with mean score of 3.68. The mean score of buying behavior as presented above falls between 2.61 and 3.40, hence customers buying behavior is true to some extent influenced by the Bank's advertisement.

#### 4.4 Multi-Collinearity

Before running regression, one should check for the problem of multi collinearity which is present if there are high correlations between some of the independent variables. The study checks this with the Variance Inflation Factor (VIF) which calculates the influence of correlations among independent variables on the precision of regression estimates. The VIF factor should not exceed 10. Tolerance is an indicator of how much of the variability of the specified independent variable is not explained by the other independent variable in the model and is calculated using the formula  $1 - R^2$  for each variable. Tolerance should be higher than 0.1 (Greene, 2000).

**Table 4.4.1 Multi-collinearity Test**

Independent variables		Collinearity Statistics	
		Tolerance	VIF
1	Impressive advertising	.645	1.550
	Simple advertising	.546	1.831
	Grabbing advertising	.478	2.091
	Memorable advertising	.367	2.725
	Creative advertising	.619	1.617
	Honest advertising	.346	2.894
a. Dependent Variable: buying behavior			

*Table 4.4.1 Multi-collinearity Test*

Source: Own survey result (2020)

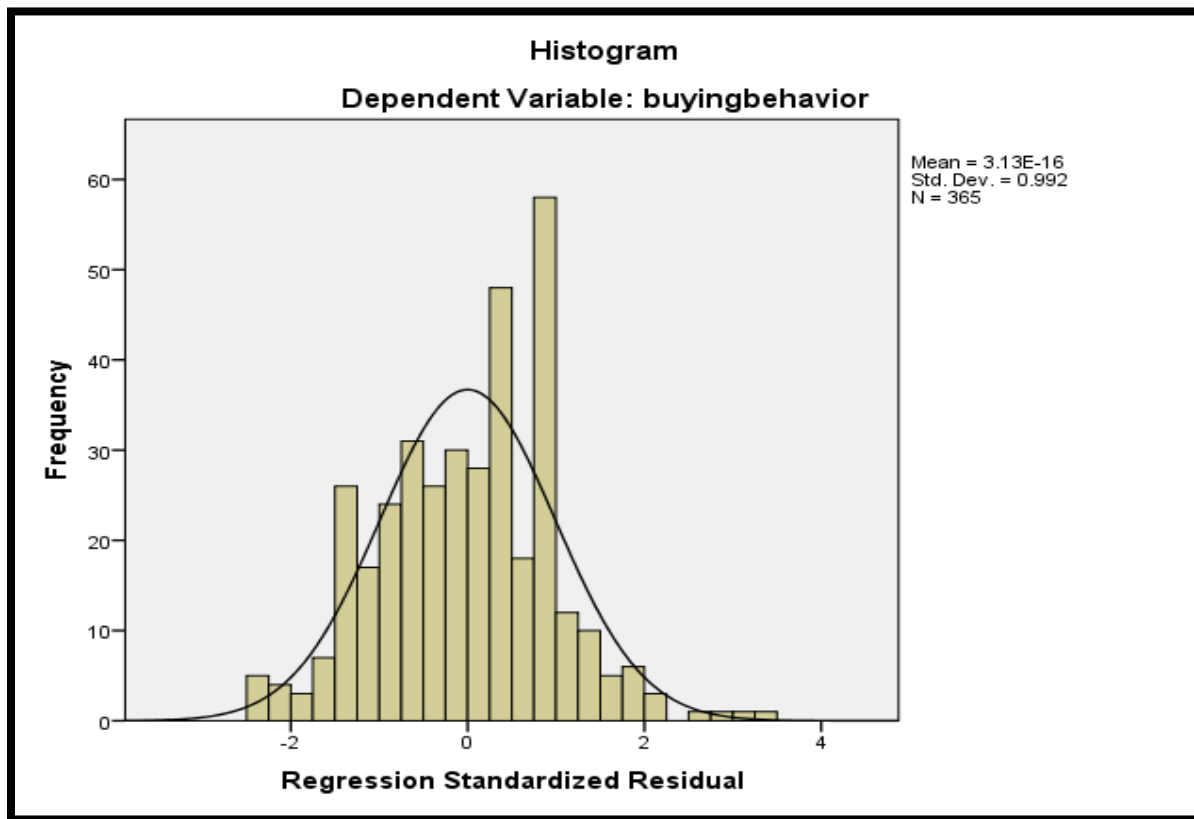
As it can be seen from the table above the lowest tolerance is .346 which is  $>.1$  and the highest VIF is 2.894 which is  $<10$ . Hence it can be noted that there is no multi-collinearity problem with in the model.

#### 4.5 Model Assumption

##### 4.5.1. Normality Test Using Histogram

Normality of distribution can be tested by using a histogram with a normal curve. If the residuals are normally distributed, the histogram should be bell-shaped and thus this study implemented graphical methods to test the normality of data (Brook, 2008). From the Histogram figure, it can be noted below the distribution is a normal curve, demonstrating that data witnesses to the normality assumption. As the

assumption holds as the histogram was a bell-shaped and the residuals were normally distributed for NIB bank customers buying behavior.



*Figure 4.5.1 Normality Result Using Histogram*

It can be shown in the figure 4.5.1 above the histogram indicating that the data confirms that there was no serious violation of the normality assumption. Because residuals followed a straight line provides evidence of no gross violation of the assumption of normality and the histogram is almost bell-shaped.

#### **4.5.2 Normality of Distribution Using Descriptive Statistics**

In table below, the normality tests, descriptive statistics are shown. According to Shukla (2009), skewness and Kurtosis test is the basic ways to check the normality of the data. positive skewness values suggest clustering of data points on the low value (left-hand side of the bell curve) and negative skewness values suggest clustering of data points on the high values (right-hand side of the bell curve). The data in the study suggest the response is a clustering of the high values (right-hand side of the bell curve) because all of the values in the study skewness are negative.

For checking the normality test, Hair J.B (2010) suggests that the standardized skewness distribution result and Kurtosis result must be between the ranges of  $\pm 2.58$ . According to the table below, both the



standardized skewness and kurtosis results fall in the given range. So this was a good signal to start with the subsequent analyses since the data are normally distributed.

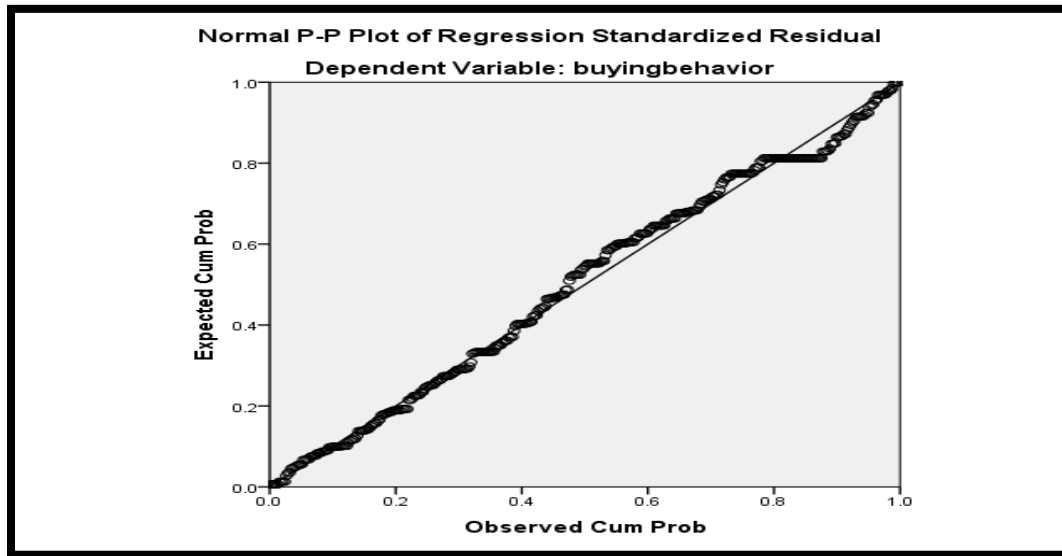
<b>Descriptive Statistics</b>					
	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Impressive ads	365	-.145	.128	-1.812	.255
Understandable ads	365	-.706	.128	-1.121	.255
Grabbing ads	365	-.366	.128	-1.481	.255
Memorable ads	365	-.336	.128	-1.139	.255
Creative ads	365	-.746	.128	-1.172	.255
Honest ads	365	-.347	.128	-1.113	.255
Buying behavior	365	-.103	.128	-1.313	.255
Valid N (listwise)	365				

*Table 4.5.1 Skewness and Kurtosis*

**Source: Own survey (2020)**

#### **4.5.3 Linearity**

Linearity refers to the degree to which the change in the dependent variable is related to change in the independent variable. To determine the relationship between the dependent and independent variables the normal probability plots were used to test the normality assumption. As shown by the figure below the Normal P-P plot of residuals reveals no large deviation in the spread of the residuals from left to right on the figure and it is almost all residuals lay on the linear straight line therefore, this tells us the relationship between the predictor variables (impressive ads, simple to understand ads, grabbing ads, memorable ads, creative ads and honest ads) and the dependent variable (buying behavior) is linear.

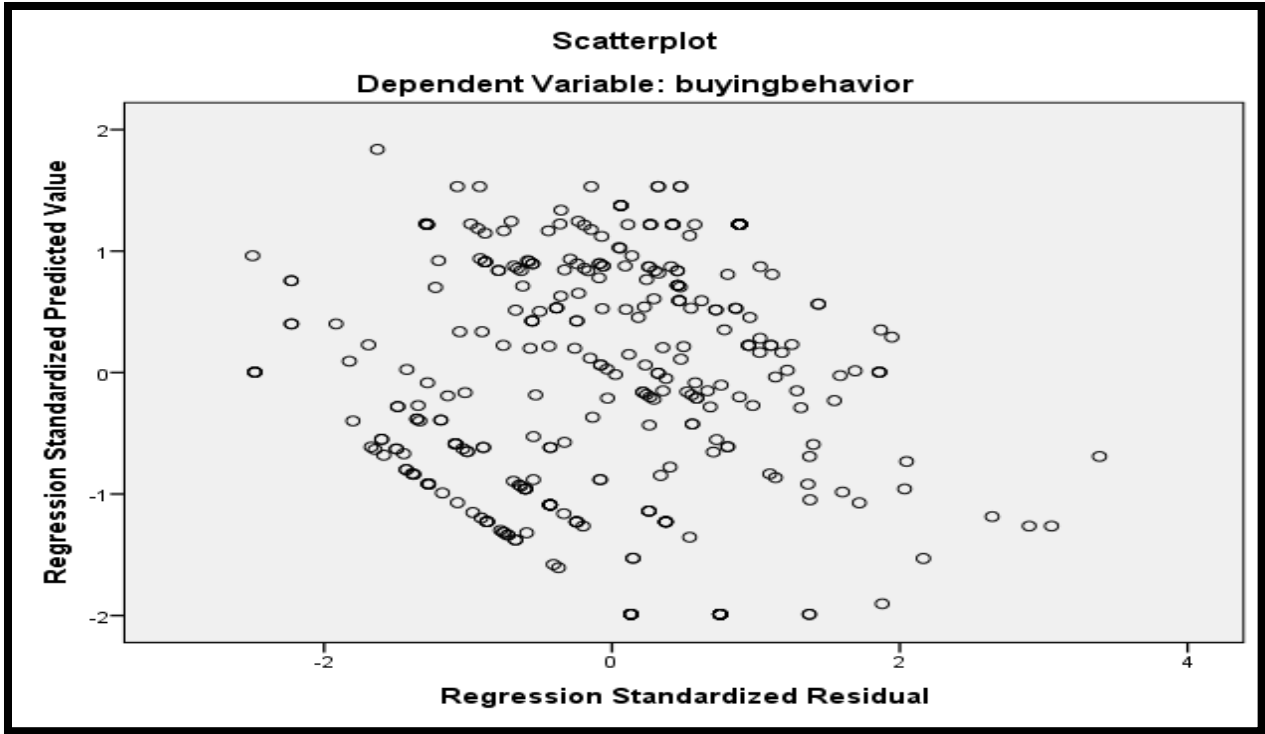


*Figure 4.5 Graph of Linearity Test*

As a result the graph above shows that customer buying behavior and the underlying variables have linear relation.

#### **4.6 Homoscedasticity**

This assumption tells us that for each value of the predictors the variance of the error term should be constant. Homoscedasticity is an assumption in regression analysis that the residuals at each level of the predictor variables have similar variances. That is, at each point along with any predictor variable, the spread of residuals should be fairly constant. For basic analysis, we first plot \*ZRESID (Y-axis) against \*ZPRED (X-axis) on SPSS because this plot is useful to determine whether the assumptions of random errors and homoscedasticity have been met (Field, 2009). The graph of \*ZRESID and \*ZPRED should look like a random array of dots evenly dispersed around zero. If there is any sort of curve in this graph, then, the chances are that the data have broken the assumption of linearity (Field, 2009). As can be seen in the scattered plot below, the residuals at each level of explanatory variables look like they are evenly dispersed around zero and that the graph is not something like cone-shaped. Therefore, it is safe to say that this study has no homoscedasticity problem. The graph has demonstrated homoscedasticity of the study.



*Figure 1.7.1 Homoscedasticity*

Based on the normality and homoscedasticity tests and the researcher believe that this result from the regression analysis can be used by the NIB bank customers buying behavior.

#### 4.7 The Relationship between the Study Variables

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

As per Zikmund et.al, (2003) the value of “r” ranges from +1.0 to -1.0, where a positive “r” value indicates a direct relationship and a negative ‘r’ value represents an inverse relationship between two variables. When “r=0” it implies that there is no relationship between the two variables. When “r=+1” it implies that there is a perfect direct relationship between the variables. When “r=-1” it implies that there is a perfect negative/inverse relationship between the variables. When “r” is in between 0.10-0.29, it implies that variables have weak relationships and when “r” value is in between 0.3-0.49, it implies that the variables have moderate relationship. When “r” value becomes greater or equals to 0.5 it indicates the relationship is strong. Depending on this assumption, all basic constructs were included into the correlation analysis and a bivariate two tailed correlation analysis was done.

Correlations								
		Impressive adds	Simple adds	Grabbing adds	Memorable adds	Creative adds	Honest adds	buying behavior
Impressive adds	Pearson Correlation	1						
	Sig. (2-tailed)							
	N	365						
Simple adds	Pearson Correlation	.460**	1					
	Sig. (2-tailed)	.000						
	N	365	365					

Grabbing adds	Pearson Correlation	.295 <sup>**</sup>	.566 <sup>**</sup>	1				
	Sig. (2-tailed)	.000	.000					
	N	365	365	365				
Memorable adds	Pearson Correlation	.424 <sup>**</sup>	.514 <sup>**</sup>	.641 <sup>**</sup>	1			
	Sig. (2-tailed)	.000	.000	.000				
	N	365	365	365	365			
Creative adds	Pearson Correlation	.255 <sup>**</sup>	.159 <sup>**</sup>	.393 <sup>**</sup>	.497 <sup>**</sup>	1		
	Sig. (2-tailed)	.000	.002	.000	.000			
	N	365	365	365	365	365		
Honest adds	Pearson Correlation	.510 <sup>**</sup>	.404 <sup>**</sup>	.566 <sup>**</sup>	.730 <sup>**</sup>	.590 <sup>**</sup>	1	
	Sig. (2-tailed)	.000	.000	.000	.000	.000		
	N	365	365	365	365	365	365	
Buying behavior	Pearson Correlation	.363 <sup>**</sup>	.561 <sup>**</sup>	.566 <sup>**</sup>	.531 <sup>**</sup>	.455 <sup>**</sup>	.716 <sup>**</sup>	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	365	365	365	365	365	365	365
** . Correlation is significant at the 0.01 level (2-tailed).								

*Table 4.71 Correlation*

Source: Own survey result (2020)

Product-Moment Correlation Coefficient was used to assess the relationship among variables (independent and dependent variables). The result shows in the Table 4.8.1 indicating that all the independent variables are significantly and positively correlated with buying behavior with the p-value of 0.000 at 0.01 significant levels and the table depicts the relationship formed the highest Pearson Correlation analysis with  $r = 0.716$  indicating that relationship has positive and high correlation with honest ads toward Customer buying behavior. Besides, grabbing ads ( $r = 0.566$ ) also interpreted to has positive and high correlation with Customer buying Behavior .Other than that, the result also indicated

that understandable advertising has positive and high correlation with marked relationship with Customer buying Behaviour with the value of  $r = 0.561$ . Besides, memorable ads and creative advertising have positive, high and moderate correlation with marked relationship with Customer buying Behaviour with the value  $r=.531$  and  $r=.455$  respectively. However, impressive advertising has the lowest correlation strength when compared to other six elements with the value of  $r = 0.363$ .

#### 4.8 Multiple Regression Analysis (Hypothesis Testing)

Multiple regression analysis is defined as “a statistical technique which analyzes the linear relationships between a dependent variable and multiple independent variables by estimating coefficients for the equation for a straight line” (Hair et al., 2004). The six hypotheses were tested using multiple regression analysis, since the correlation table shows only the relationship between the variables, but it does not show the exact percentage changes of the dependent and independent variables and the strength and degree of the relationship between variables. Regression analysis was conducted to know by how much the independent variable explains the dependent variable. It is also used to understand by how much each independent variable (Impressive ads, understand ads, attention grabbing ads, memorable ads, create ads and honest ads) explains the dependent variable that is Customer buying Behavior.

<b>Model Summary</b>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.797 <sup>a</sup>	.636	.630	.80643
a. Predictors: (Constant), being honest, being simple, being impressive, being creative, being grabbing, being memorable				
b. Dependent Variable: buying behavior				

*Table 4.8.1 Regression Analysis of Media Advertising and Customer Buying Behavior*

Source: Own survey result (2020)

The model summary table 4.9.1 states that the six independent variables that constitute the customer buying behavior of coefficient of determination R square is 0.636 which implies that there is quite significant explanatory power and also 63.6% variation on dependent variable is caused by independent variables and the remaining 36.4 % is because of other unknown variables.

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	406.695	6	67.783	104.228	.000 <sup>b</sup>
	Residual	232.818	358	.650		
	Total	639.514	364			
a. Dependent Variable: buying behavior						
b. Predictors: (Constant), honest ads, understandable ads, impressive ads, creative ads, grabbing ads, memorable ads						

*Table 4.8.2 ANOVA*

Source: Own survey result (2020)

The ANOVA tells us whether the model, overall, results in a significantly good degree of prediction of the outcome variable (Field, 2005). The above table depicts that the independent variables significantly predict the dependent variable with  $F=104.228$  and  $\text{sig}=0.000$ . F-test is used to find out overall probability of the relationship between the dependent variable and all the independent variables occurring by chance (Field, 2005). The F-test result of the study is 104.228 with a significance of 0.000 meaning that the probability of these results occurring by chance is less than 0.05 i.e. the variation that is explained by the model is not simply by chance. While the ANOVA table is a useful test of the model's ability to explain any variation in the dependent variable, it does not directly address the strength of that relationship (Greene, 2000). The table below shows the coefficients of the regression line. The sign of the coefficient indicates whether the predicted response increases or decreases when the predictor increases, all other predictors being constant (Greene, 2000).

<b>Coefficients</b>						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.046	.139		.333	.739
	Impressive ads	-.083	.029	-.114	-2.865	.004
	Understandable ads	.321	.036	.380	8.795	.000
	Grabbing ads	.096	.039	.114	2.477	.014
	Memorable ads	-.216	.052	-.218	-4.146	.000
	Creative ads	.080	.033	.100	2.458	.014
	Honest ads	.649	.054	.657	12.109	.000
a. Dependent Variable: buying behavior						

*Table 4.8.3 Multiple Regression of Advertising on Customer Buying Behavior*

Source: Own survey result (2020)

From the above multiple regression equation it can be noted that all the independent variables positively affects customer buying behavior revealing significant level below 0.05 ( $p < 0.05$ ). Also Standardized coefficient (Beta value) indicates the degree of importance of each variable towards customer buying behavior.

The result indicated that honest ads has the strongest influence on buying behavior with the highest beta value 0.649. The beta value on the coefficient table indicates level of effect each variable has on the dependent variable. This means that for every additional point or value in the honest ads one could predict a gain of 0.649 points on the customer buying behavior provided that other variables being constant or in other word 65 % variation in Consumer buying behavior is caused by honest ads, which is significant at 0.000. Therefore, the study concluded that honest ads factor positively and significantly affected consumers' buying behavior of NIB Bank S.C. Similarly understandable ads and grabbing ads have



positive and significant influence on buying behavior of NIB bank customers, with beta value 0.321 and 0.096 respectively, with a significant level at 0.000 and 0.014 respectively, and also creative ads has positive and significance influence on buying behavior of NIB bank customers, with beta value 0.080 with a significant level at 0.014. Therefore it can be noted that the above four variables positively and significantly affects NIB bank customer buying behavior. However, the other two variables memorable ads and impressive ads have a negative but a significance influence on buying behavior of NIB bank customers, with beta value 0.000 and 0.004 respectively. From the result we can concluded that four variables have positively affects NIB bank customers buying behavior, whereas two variables have negatively affects NIB bank customers buying behavior.

The above coefficient table for Media advertising dimensions indicates the beta values of the independent variables. From this the regression equation is derived as:

**Regression Equation:**

$$\text{Regression Equation Customer Buying Behavior} = b_0 + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + b_5x_5 + b_6x_6 + U$$

$$\text{Regression Equation Customers Buying Behavior} = 0.046 - 0.083x_1 + 0.321x_2 + 0.096x_3 + 0.216x_4 + 0.080x_5 + 0.649x_6 + U$$

Where:

X1=Impressive advertising

X2= Understandable advertising

X3= Attention grapping advertising

X4=Memorable advertising

X5=Creative advertising

X6=Honest advertising Hypothesis testing for this study is based on standardized coefficients beta and P-value to test whether the hypotheses are accepted or not.

Hypothesis	Beta	T	P<0.05	Result
<b>H1:</b> Impressive advertising has a significant effect on customer buying behavior.	-.083	-2.865	0.004	Accepted
<b>H2:</b> Understandable advertising has a significant direct effect on customer buying behavior	.321	8.795	0.000	Accepted
<b>H3:</b> Attention grabbing advertising has a significant direct effect on customer buying behavior.	.096	2.477	0.014	Accepted
<b>H4:</b> Memorable advertising has a significant direct effect on customer buying behavior.	-.216	-4.146	0.000	Accepted
<b>H5:</b> Creative advertising has a significant direct effect on customer buying behavior.	.080	2.458	0.014	Accepted
<b>H6:</b> Honest advertising has a significant direct effect on customer buying behavior.	.649	12.109	0.000	Accepted

*Table 4.8.4 Summary of Hypothesis Testing*

As presented in the above hypothesis testing table for independent variables, coefficients of the predictor four variables (understandable ads, grabbing ads, creative ads and honest ads) are statistically positive and

significant at less than five percent indicating that there is a significant positive relationship of these variables to the dependent variable. Whereas two variables (impressive ads and memorable ads) have negative and significant at less than five percent indicating that there is a negative relationship of these variables to the dependent variable. Therefore, all the alternative hypotheses are accepted.

Other researchers have also found similar results and hence the researcher compared the above results by providing empirical evidences to each relationship.

Huang (2011) reported strong relationship with ( $r = 0.715$  and  $p < 0.01$ ). V. Prabakaran (2012) found positive relationship between advertisement being honest (calculated value  $44 >$  table value  $36.4$ ) and consumers buying behavior. K. P. Saemundsson (2012) reported moderate relationship ( $r = 0.513$  and  $p < 0.001$ ).

Halkias (2013) analyzed the relationship between ability to recall (memorable) the advertisement and consumers purchasing behavior using ANOVA and reported significant relationship ( $F = 24.13$  and  $p < 0.001$ ). Moreover they indicated developing effective advertising communication has been traditionally regarded as an important function to increase consumers' purchasing motivation. Huang (2011) reported strong relationship with ( $r = 0.520$  and  $p < 0.01$ ). Anand (2000) analyzed effective recalling (memorize) of advertisement has significant effect on sparking buying intentions ( $F = 22.26$  and  $p < 0.001$ )

Empirical literature on relationship between creative advertisement and consumer buying behavior is very limited and practitioners should emphasis on this issue. However, V. Prabakaran (2012) found positive relationship between advertisement being creative (calculated value  $66 >$  table value  $36.4$ ) and consumers buying behavior.

Also Long – Yi Lin (2011) reported attention grabbing advertising has a significantly positive correlation with consumers buying intentions ( $p = 0.029 < 0.05$ ). Moreover, he also reported another perspective of relationship, he found advertising spokespersons have a positive effect on advertising attitudes ( $p = 0.037 < 0.05$ ). Huang (2011) reported moderate relationship with ( $r = 0.567$  and  $p < 0.01$ ). V. Prabakaran (2012) reported similar result with synonym variable. That was advertisement being eye catching (calculated value  $47 >$  table value  $36.4$ ) have positive relationship with consumers buying behavior. H. M. Arshad (2014) also found a strong relationship between (arousal) attention grabbing advertisement and consumers buying behavior ( $r = 0.689$  and  $p < 0.05$ ).

D. Prasanna Kumar and K. Venkateswara Raju (2013) found a significant relationship between ability of the AD in conveying the intended message (i.e. simple to understand) and its ability to change the opinion and prejudice of the respondent about a product or service. V. Prabakaran (2012) reported advertisement being understandable (calculated value 50 > table value 36.4) have positive relationship with consumers buying behavior.

H. M. Arshad (2014) found a strong relationship between (sensory) impressive advertisement and consumers buying behavior ( $r = 0.690$  and  $p < 0.05$ ). In a study undertaken by V. Prabakaran (2012), under the title “Impact of Advertisement on Consumers Behavior” it was found positive relationship between impressive advertisement (calculated value 46 > table value 36.4) and consumers buying behavior. Z. U. Abideen and S. Saleem (2009) conduct a study under the title “Effective Advertising and its influence on Consumers Buying Behavior” and they found strong association between impressive advertisement and consumers buying behavior ( $p < 0.05$  but the “r” value was not stated).

As per the correlation analysis, it has been discussed that the results of this study were similar with the previous literatures. Thus, due to the positive relationship between the six predictor variables and consumers buying behavior, any advertisement campaign shall consider these relationships.

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### Introduction

This chapter consists of three sections which include summary of the findings, conclusion and recommendations.

#### 5.1. Summary of Research Findings:

Based on the descriptive analysis of the study, the company has potential consumers since most of them (around 40.8 %) earn between 10,000- 25,000.00 Birr per month.

Based on the descriptive analysis the result of descriptive statistics among media advertising dimension shows that respondents are in pursuant to buying behavior highest level with the creative advertisement (M=3.7175), understandable advertisement (M=3.63) followed by memorable advertisement and average buying behavior with attention grappling with a mean value of (M=3.475) and (M=4.275) respectively, but honest advertising & Impressive advertising slightly below average (M=3.335) and (M=3.115) respectively.

Depending on the result of inferential statistics, strong relationship is obtained with honest advertisement ( $r=0.716$ ,  $p<0.01$ ), Attention grappling advertisement ( $r=0.566$ ,  $p<0.01$ ), understandable advertising ( $r=0.561$ ,  $p<0.01$ ), memorable advertisement ( $r=0.531$ ,  $p<0.001$ ) with customer buying behavior. Whereas moderate relationship is obtained with creative advertisement ( $r=0.455$ ,  $p<0.01$ ), and impressive advertising ( $r=0.363$ ,  $p<0.001$ ) with customers buying behavior

Regression analysis of Media advertising and customer buying behavior, states that the six independent variables that constitute the customer buying behavior of coefficient of determination R square is 0.636, which implies that there is quite significant explanatory power and also 63.6% variation on dependent variable is caused by independent variables and the remaining 36.4 % is because of other unknown variables.

The hypotheses result shows that multiple regressions have a positive and a significant effect on the bank's customer buying behavior. According to the analysis made so as to see the relative importance of the six variables identified to predict the effect of media advertising on customer buying behavior honest advertising is discovered to be the most important predictor of purchase

intention with standardized coefficient ( $\beta = .649$ ), followed by understanding ads the second predictor with standardized coefficient ( $\beta = .321$ ), Attention grabbing advertisement with standardized coefficient ( $\beta = .096$ ), and creative advertisement with standardized coefficient ( $\beta = .080$ ), those variables have a positive and significant effect on NIB bank's customer buying behavior. Whereas, the remaining two variables memorable advertisement with standardized coefficient ( $\beta = -.216$ ), and impressive advertising with standardized coefficient ( $\beta = -.083$ ) have a positive but a significant effect on NIB bank's customer buying behavior.

## 5.2. Conclusions

The purpose of this study was to examine the effect of media advertising on consumer buying behavior. The variable of interest that contributes to customer buying behavior was explored in this study including: Impressive advertising, Understandable advertising, Attention grabbing advertising, memorable advertising, Creative advertising and honest advertising,

In regard to the first objective of this study it can be concluded that the friends of the consumers contributed the largest percentage on motivating and influencing consumers for buying decision. The related research question was: "What are the major personal, psychological, cultural and social factors that affect NIB bank S.C. consumers buying behavior?" "The evidence presents due to high communication among the bank industry stakeholders, individuals and organizations recommend each other for efficient and effective utilization of resources and it may further avoids information asymmetry.

In regard to the second objective of this study it can be concluded that newspaper advertisement was the first choice by most of the respondents. The related research question was: "which advertisement media has more influence on NIB bank consumer buying behaviour?" The evidence of analysis shows since most of the respondents were literate and hence their first choice was radio advertisement followed by television advertisement. Besides, other service providing bank companies also advertise their products or services on newspaper; hence this creates additional room for service quality comparison in different dimension.

In regard to the third objective it can be concluded that the investigation has yielded significant evidence that is in line with the theoretical assumptions on which the study is based. The posed research question related to the first objective was: "Do advertisement characteristics (Impressive, Simple to Understand, Attention Grabbing, Memorable, Creative and Honest) have direct relationship with consumers buying behavior?" The evidence shows that there exists a strong relationship of honest advertising, attention

grabbing, understandable advertising and memorable advertising with consumers buying behavior. And the finding depicted there exist a moderate relationships of impressive advertising and creative advertising with consumers buying behavior.

In regard to the last objective of the research of this study it can be concluded that attention grabbing advertising has contribute the largest effect on consumers buying intentions. This finding was also compared with empirical evidences to get additional insight. The related research question was: “How do advertisement characteristics (Impressive, Simple to Understand, Attention Grabbing, Memorable, Creative, and Honest) affect consumers buying behavior?” The evidence presents except Impressive and memorable advertising, the other four predictors contribute significant effect on the creation of motivation and purchase intentions. Moreover, from the regression model, one can understand that there are other factors that can influence consumers buying behavior in the company that means 36.4% of those factors are out of the scope of this research.

Based on the above theme area of description it is clear that the research objectives of this study have been achieved and research questions have been answered. The evidence is mostly in line with the theoretical framework underpinning this study. Key factors of advertisement which have strong relationship with consumers buying behavior need to be well recognized. These key factors contributing to motivating consumers buying behavior in NIB bank S.C. were advertisement being impressive, simple to understand, attention grabbing, memorable, creative and honest. However, it should be noted that these findings might only be applicable to the contest wherein the research was conducted.

### 5.3. Recommendations

In general from the various tests and frequencies carried out it has been proved that when a firm advertises it is bound to realize positive returns from that effort and investment it made. Modern day communications permit an advertisement to be displayed to millions of individuals; if the smallest fraction of that audience can be moved to buy the product or service then the advertisement has been successful. With the recent establishment of several new private banks and the expected entrance of foreign banks in Ethiopia, the banking industry in the country is undergoing dynamic expansion. It is, therefore, imperative for the private owned bank; NIB bank S.C. to continuously monitor its advertising effort to make sure whether its ads are executed properly with the right media. Based on the major findings that have been discussed so far the following points are recommended for practical application to enhance the buying behavior level of customers in NIB Bank S.C.

- The advertising company should always ensure that their adverts carry honestly specifically on the quality of the service they are providing.
- Acquiring new customers and maintaining the existing ones are the major challenges banks face in this stiff competition arena, hence, NIB bank shall develop and formulate marketing strategies that will satisfy the needs of the consumers. Since most of the consumers did not get attached with existing advertisements, it is recommended that for a more distinguished and effective response from the customer, the aforementioned advert features (that is; impressive, understandable, attention grabbing, memorable, creative and honest advertisement) shall be used.
- It is paramount important giving due attention to all the six predictors of advertisement when taking action to influence more consumers but, more attention should be given to honest advertisements and understandable advertisements. As the multiple regression result of this study indicated, effect of those factors motivating consumers' buying behavior is more than the remaining four advertisement features. Thus by campaigning attention honest and understandable advertisements, NIB Bank S.C. can attract more consumers in addition to the exiting consumers.
- As per the results of the study, most of the consumers got attached by radio advertisement. Wall branding and banners, newspaper advertisement, and magazine advertisements of NIB bank didn't get enough attention by consumers. This may be a result of lack of enough information and ineffectiveness of the advertisements messages through these Medias regarding the bank service. Advertisement effectiveness is the joint responsibility of the advertiser and the advertising agency. Regular and consistent up-to-date training on the product information should be given to the advertising agencies, which work with the bank , so that they will have the current knowledge



and skills to handle the adverts and to make the adverts more attention grabbing, impressive, honest, memorable and creative.

- Testing the market preference and customers behaviors through the marketing research and incorporate continuously, so that this may results in the bank in able to satisfy its existing customers and can possibly maintain its competitive advantage.
- In this stiff banking industry NIB Bank S.C. should deliver their advertising message through all the identified advertising medias which are Social media, Broadcast media, and Print media not only with the aim of informing a target audience about the service offered by the bank but also to advert persuasive messages that emphasize on the quality of the service to be delivered. And finally that can enforce customers to make a buying decision.

#### **5.4. Limitations and Directions for Future Research**

##### **5.4.1. Limitation of the Study**

This study has some limitations that offer opportunities for future researchers. Since the study focused on six NIB banks Addis Ababa branches' customers buying behavior, it is difficult to generalize the findings to other banks in the industry. The other limitation of this research was regarding the variables considered that affects customers buying behavior, in this study six variables were considered these were impressive ads, understandable ads, attention grabbing ads, memorable ads, creative and honest advertisement. In addition time and financial resource constraints were also other limitations of the study.

##### **5.4.2 Directions for Future Research**

This study was conducted only on one private commercial bank in situated A.A and other researchers might rather consider either all private commercial banks or all governmental commercial banks or instead they may study at the industry level across the board. It is also recommendable to consider industries other than bank.

This research considered six variables that affect customer buying behavior. Future researchers can investigate other variables that might influence customer buying behavior.

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## **Appendix**

### **Questionnaire**

Dear respondents;

This study is to be conducted as part of a research project, which shall be submitted in partial fulfillment of Masters of business administration. This questionnaire is meant to collect information about the effect of media advertising on consumers' buying behavior in the banking service, In the case of Nib International Bank.

Your keen participation in supplying the required data is highly essential for successful completion of the study. The information you provide will be kept confidential and be used only for an academic purpose.

I would like to thank you in advance for your participation and sharing your busy schedule. Please do not hesitate to ask me or to call/mail if you have any doubt on the questions.

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## **Appendix Part I:**

### **SECTION ONE – BACKGROUND INFORMATION**

- 1) Gender a) Male                      b) Female
- 2) Age (Years)    a) 18-30                      b) 31-45                      c) 36-45                      d) 46 and above
- 3) Indicate your Education background
  - a) Grade 1 -12    b) TVET    c) Collage Diploma    d) first Degree    e) Master Degree and above
- 4) Occupation    a. Government employee    b. Private employee    c) NGO employee    d. Self-employee
- 5) Monthly **Income**
  - a) Br. 5,000.00 and below    b) Br. 5,001.00 - 10,000.00                      c) Br. 10,001.00 – 25,000.00 d) Br. 25,001.00 – 35,000.00                      e) Br. 35,001.00 and above
- 6) **Marital** status    a) Single    b) Married                      c) Divorced

### **Appendix II. Section Two: General Knowledge of Consumers**

- 1) Which **factors** make you to use NIB Bank products?
  - a) Family                      b) Friends                      c) Society                      d) Life style                      e) Culture
- 2) By which **mode** of advertisement are you gets attached?
  - a) Television Advertisement                      b) Radio Advertisement                      c) Newspaper Advertisement d) Magazine advertisement                      e) Wall branding and banners    f) In different bazaars and events
- 3) Which **characteristics** of advertisement are more important for you?
  - a) Advertisement being impressive                      b) Advertisement being simple to understand c) Advertisement being attention grabbing    d) Advertisement being memorable                      e) Advertisement being creative                      f) Advertisement being honest
- 4) for which reason you **switch** to other bank service provider institution?
  - a. Impact of service delivery    b. Impact of advertisement    c. To try new option                      d. Influence by friends
- 5) Level of **satisfaction** regarding the services and products in NIB bank.
  - a. Very satisfied                      b. satisfied                      c. Neither satisfied nor unsatisfied d. Unsatisfied e. Very unsatisfied

### **Appendix III. Section Three: Questions Related Media advertising & Consumer buying behavior**

**INSTRUCTION:** Please rate the following Statements by ticking “√” only one box on the right side with the response that you think best represent you’re feeling about the media advertisements and consumer buying behavior.

<b>VARIABLES</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
<b>1. Advertisement of NIB Bank Being Impressive</b>					
1.1 The advertisement message is impressive as a result it helps me to decide to buy the product/service.					
1.2 An impressive ad doesn’t motivate the consumer for purchasing products/service.					
1.3 New impressive advertisement of a product or service is not a signal of new offers.					
1.4 I believe there is always misinformation behind impressive advertisement.					
<b>2. Advertisement of NIB bank Being Simple to Understand</b>					
2.1 The advertisement message is simple to understand as a result it helps me to decide to buy the product/service.					
2.2 The advertisement is complex, confusing and inaccurate.					
2.3 The facts in the ad don’t convince me to different features of the products /service.					
2.4 Since the ad is very confusing, I cannot understand what the ad is all about.					
<b>3. Advertisement of NIB bank Being Attention Grabbing</b>					
3.1 The advertisement message is attention grabbing as a result it influences me to decide to buy the product/service.					
3.2 This ad is not better than other ads that have the same message.					
3.3 I believe the ad has a low degree of visual magnetism.					

3.4 Every time I look this ad it makes me discomfort.					
<b>4. Advertisement of NIB bank Being Memorable</b>					
4.1 The advertisement message is memorable as a result it influences me to decide to buy the product/service.					
4.2 The ad always reminds me how to have better and healthy life style.					
4.3 Since the ads are so weak, they don't sticks in my brain for long time.					
4.4 Mostly I discuss the ad message with my friends after viewing it.					
<b>5. Advertisement NIB bank Being Creative</b>					
5.1 The advertisement message is creative as a result it influences me to decide to buy the product.					
5.2 Creative advertisement is the only tool in increasing consumers buying appetite.					
5.3 Great advertising is the creative expression of understanding the market needs.					
5.4 The ad doesn't have any new information and features.					
<b>6. Advertisement of NIB bank Being Honest</b>					
6.1 The advertisement message is honest as a result it influences me to decide to buy the product/service.					
6.2 The ad creates wrong, irrelevant or totally different picture of the product that it is in reality.					
6.3 Reliable ad doesn't give room for product/service and market comparison.					
6.4 Since ads are always unrealistic, I cannot consider them as honest.					
<b>7. Buying Behavior of NIB bank Consumers</b>					
7.1 I am happy being the customer of NIB bank.					
7.2 I believe in advertisement because it helps to get information					



and facts.					
7.3 The ads of NIB bank played a key role on the buying of quality service.					
7.4 Regular and consistent ads of NIB bank enable it in staying and winning the market competition.					
7.5 There is not a big difference between the message in the ad and the reality.					
7.6 New ad of a service is a signal of new offers or incentives.					
7.7 Knowing the service's latest information may depend on advertising.					
7.8 There is positive and significant relationship between advertising and consumers buying behavior of the products.					

**Thank you very much for providing this useful information!!**