Addis Ababa University

School of Commerce

Marketing Management Graduate Program

Effect of Promotion mix strategies on profitability:The case study on Commercial Bank of Ethiopia

By

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May, 2018

Addis Ababa, Ethiopia

EFFECT OF PROMOTION MIX STRATEGIES ON PROFITABILITY: THE CASE STUDY ON COMMERCIAL BANK OF ETHIOPIA

A Thesis Submitted to Addis Ababa University Department of Marketing Management for the Partial Fulfillment of the Required for the Award of Masters of Arts Degree in Marketing Management

By

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May, 2018

Addis Ababa, Ethiopia

DECLARATION

I hereby declare that this study entitled "Effect of Promotion mix strategies on profitability: The case study on Commercial Bank of Ethiopia" is my original work prepared under the guidance of my advisor Temesgen Belayneh (PhD). This paper is submitted in partial fulfillment of the requirement for the award of Master of Arts Degree in Marketing Management and it has not been previously submitted to any diploma or degree in any college or university.

By: Nigusse Teklay

Signature ---------------------------------

Date--

LETTER OF CERTIFICATION

This is to certify that Nigusse Teklay carried out his study on the topic entitled "Effect of Promotion mix strategies on profitability: The case study on Commercial Bank of Ethiopia". This work is original in nature and suitable for submission for the award of the Masters Degree in Marketing Management.

Dr. Temesgen Belayneh	__________________	______________
(The research advisor)	Signature	Date

ADDIS ABABA UNIVERSITY

SCHOOL OF GRADUATE STUDIES

This is to certify that the thesis prepared by Nigusse Teklay entitled Effect of Promotion mix strategies on profitability: The case study on Commercial Bank of Ethiopia in Addis Ababa area, which is submitted in partial fulfillment of the requirements for the Degree of Master in Marketing Management, complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

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LIST OF ACRONYMS/ABBREVIATIONS

ANOVA	Analysis of Variance
ATM	Automated Teller Machine
AUD	Acta Universitatis Danubius
CBE	Commercial Bank of Ethiopia
DHS	Demographic and Health Surveys
IMF	International Monetary Fund
NBE	National Bank of Ethiopia
ROA	Return on Asset
ROE	Return on Equity
SPSS	Statistical Package for Social Science

ABSTRACT

Ethiopia's financial services industry is one of the least developed in the region. They are confined in small area and compete over the same customers with limited services. Survey shows that only 43.5 % of urban and 53.6 % of Addis Ababa population had bank accounts. The purpose of this study is to determine the effect of Promotion mix strategies on the profitability of Commercial Bank of Ethiopia. A quantitative and qualitative research approach was applied to collect data from employees and customers in the CBE. The target population of the study was CBE employees and customers who are found in Addis Ababa. Systematic Simple random sampling technique was employed and sample sizes of 378 employees and 384 customers were selected. To accomplish this, a questionnaire survey was conducted by taking the most important promotion mix elements that were identified by several researchers from literature. For the sake of achieving the objectives of this study, questionnaires were analyzed using descriptive and inferential analyses with the help of SPSS version 20 statistical software program. Pearson correlation and multiple linear regression analysis were done to test the relationship between promotion mix elements and profit. The study reveals that all promotion mix elements such as advertising, sales promotion. Personal selling, public relations and publicity, and direct marketing have significantly and positively effects on CBE profitability. But according to the employees' response direct marketing has no effect on profitability of CBE. The result confirms the hypothesized relationships in the research model. Therefore managers and policy makers in the bank should give outstanding attention to profound promotion strategies and practices.

KEY WORDS: *Advertising, Sales Promotion, Personal Selling, Public Relations and Publicity, Direct Marketing, and Profit*

CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

The Banking sector acts as the life blood of modern trade and commerce to provide them with a major source of finance. This increasing phenomenon of globalization has made the concept of efficiency more important both for the non-financial and financial institutions and banks are the part of them. Banks largely depends on competitive marketing strategy that determines their success and growth. The modalities of the banking business have changed a lot in the new millennium compared to the way they used to be in the years bygone (Hussain & Bahatti, 2010).

According to (Christine & Nigel, 2007)Promotion has always been important in financial services. The market for financial services is going through a period of rapid change, and levels of competition are increasing. Deregulation, increased consumer sophistication and technological developments have encouraged a rapid growth in marketing, and particularly in promotional activity. Financial services institutions now spend significant amounts on communicating a variety of product and brand messages to a range of target audiences. With promotion attracting a significant level of marketing expenditure, it is important that promotional activity is careful planned and implemented and that it is consistent with the rest of the organization's marketing activities (Christine & Nigel, 2007).

Promotion is the direct way an organization tries to reach its publics. This is performed through the five elements of the promotion mix including advertising, sales promotion, personal selling, public relations and the direct marketing (Czinkota & Radebaugh, 2004).With the growing importance of the financial sector, pressures are escalating for more effective marketing management of the financial services. Despite the recent recessions, the financial services sector is continuing to grow in terms of turnover and profits and thus, has a supreme impact on the other spheres of the economy. Consequently, there is currently growing interest in applying marketing techniques and tools in financial services (Meidan, 1996). In spite of major changes on the market of financial institutions, there are indications that banks have not yet successfully embraced the marketing philosophy or achieved levels of its implementation consistent with satisfied customers.

Financial institutions are realizing that their established promotion practices are inadequate for new market conditions as levels of customer defection in the sector grow. Traditionally, banks have tried to reach out to everyone in the community, but recent research proposes that banks should aim to identify and serve micro-segments(Dawes & Brown, 2000).

The role of promotion has been redefined into managing long-term relationship with carefully selected customers, including construction of learning relationship where the marketer maintains a dialogue with an individual customer (Dawes & Brown, 2000). Due to this fact, the personnel are one of the most important resources of a bank.

In financial services, people are primarily bothered about security of their funds and default risks. After the year 1969, the deposits of banks increased more than 80 times as a result of the nationalization of banks.(Cox, 2007) contends that financial service providers are not perceived highly trusted, so that they might have difficulty in selling risk-based products. The effort to promote banking business is quite a distinguished affair. At present, it has become very tricky due to the changing trends of the industry, increasing competition and efficiency of regulatory environment, and the financial system.

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

In general, Promotional activities are essential for any business to ensure sustainable growth and profit. As a service-oriented industry banks are not exception. To attract customers and to increase profit banks need to concentrate on brand image and promotional tools can be used for that.

Still now most of the banks are not very much interested to concentrate on promotional activities against their target market. Yet a lot of unbanked people are there in Ethiopia so they are not depending on promotion yet. Rather they are concentrating more on branch costing and employee skill development because they believe tellers are the representatives of a bank for a customer and branch look and convenience of location is more important to attract the target market as well as to retain existing customers. But the number of banks is increasing from time to time and market sharing is already started. So commercial bank of Ethiopia should be focused on promotion to maintain profitability growth.

1.2 Overview of Banking History in Ethiopia

The history of banking in Ethiopia dates back to the era of the Axumite dynasty. However, Modern banking in Ethiopia was introduced in 1905. At the time, an agreement was reached between Emperor Menelik II and a representative of the British owned National Bank of Egypt to open a new bank in Ethiopia. February 15, 1906 marked the beginning of banking in Ethiopia history when the first Bank of Abyssinia was inaugurated by Emperor Menelik II. It was a private bank whose shares were sold in Addis Ababa, New York, Paris, London, and Vienna (NBE 2010).

In 1931, Emperor Haile Selassie introduced reforms into the banking system and the Bank of Abyssinia was liquidated and became the Bank of Ethiopia, a fully government-owned bank providing central and commercial banking services until the Italian invasion of 1936. During the Italian invasion, Bank of Italy was formed a legal tender in Ethiopia. In 1943, after Ethiopia regains its independence from fascist Italy, the State Bank of Ethiopia was established, with two departments performing the separate functions of an issuing bank and a commercial bank. In 1963, these functions were formally separated and the National Bank of Ethiopia (the central and issuing bank) and the Commercial Bank of Ethiopia are formed. In the period up to 1974, several other financial institutions emerged including the state owned as well as private financial institution.

Further, as per the (NBE, 2010), following the declaration of command economy by Dergue regime in 1974 the government extended its control and nationalized all of previously established private banks and merged into one bank. After nationalization the Dergue regime leave only three government banks; the National Bank of Ethiopia, the Commercial Bank of Ethiopia and agricultural and Industrial Development Bank (Mortgage Bank). This was reversed when the socialist regime was overthrown in 1991.

Subsequently, the licensing and supervision of Banking Business Proclamation No. 84/1994 was issued in 1994 which led to the beginning of a new era for Ethiopia banking sector. Following the enactment of the banking legislations in the country in the 1990s, a fairly good number of private banks have been established. For example, in the 2010/11 fiscal year the total number of banks already operational in the country reached fifteen. Of these banks, twelve were private and the other three were government owned. Currently commercial banks work for profit and the NBE controls and gives license for commercial banks. (National Bank of Ethiopia Quarterly Bulletin; September 2010). But in 2016/17 Construction and Business Bank (CBB) and Commercial Bank of Ethiopia (CBE) are merged.

At present, the number of banks operating in Ethiopia remained 18 of which 16 were private banks. These banks opened 198 new branches during the third quarter of 2016/17 thereby increasing the total number of bank branches to 3,807. Therefore, currently one branch serves 24,783.821 people on average. Of the total bank branches, about 34.2 percent were located in Addis Ababa.

Private Banks accounted for about 65.2 percent of the total bank branches in the country. Total capital of the banking system reached Birr 49.4 billion in the third quarter of 2016/17, depicting 20.1 percent annual growth. Of the total capital of the banking system, private banks accounted for 47.6 percent while that of Commercial Bank of Ethiopia and Development Bank of Ethiopia stood at 32 percent and 20.4 percent respectively thereby putting the total capital share of the two public banks at 52.4 percent (NBE, 2016/17). The history of the Commercial Bank of Ethiopia (CBE) dates back to the establishment of the State Bank of Ethiopia in 1942.CBE was legally established as a share company in 1963.In 1974, CBE merged with the privately owned Addis Ababa Bank. Since then, it has been playing significant roles in the development of the country. Pioneer to introduce modern banking to the country. It has more than 1185 branches stretched across the country as at April 22, 2017.The leading African bank with assets of 384.6 billion Birr as on June 30th 2016.It Plays a catalytic role in the economic progress and development of the country and the first bank in Ethiopia to introduce ATM service for local users.

Currently CBE has more than 13.3 million account holders and the number of Mobile and Internet Banking users also reached more than 1,352,000 as of September 30th 2016 (68% active users). Active ATM card holders reached more than 3 million (61% active users). It has strong correspondent relationship with more than 50 renowned foreign banks like Commerz Bank A.G., Royal Bank of Canada, City Bank, HSBC Bank and CBE has a SWIFT bilateral arrangement with more than 700 others banks across the world (http://www.combanketh.et)

1.3 Statement of the Problem

The financial services sector is facing a number of challenges that make succeeding in this highly-competitive industry increasingly difficult. On top of recovery of both position and trust in a post-crash environment that has led to more stringent regulations, the industry now faces a more demanding market, more competition and the necessity to adopt and utilize new technologies.

In this competitive environment, marketing and especially promotional tools and plans are very important factors for success in the market. The competition between commercial banks as well as amongst financial institutes has forced them to devise strategic marketing plan and use research techniques (Kaynak & Whiteley, 1999).commercial banks become customer driven by focus on almost universal mission and becoming more market-oriented. They also claims that commercial banks should know customers' attitudes, perceptions, knowledge structures and behavioral tendencies extensively, if they made significant market program plans and effective marketing strategies are to be developed and established. Also bank’s target customers’ image should be align with the services which the bank offers.

Further, effective promotion of financial services is crucial since services are intangible products, and it is hard to stand out, considering the fact that all banks offer similar products (Meidan, 1996).A bank’s services are seldom unique and they are easy for competitors to copy (Marquardt, 1994). Additionally, many people cannot make a distinction between different banks’ services, and they are often not aware of the wide range of different financial services available (Meidan, 1996).

Despite the long history, which precedes the advent of modern banking throughout most of Africa, the Ethiopian financial system has not progressed that much as one expects (Simeneh, 2013).Ethiopia’s financial services industry is one of the least developed in the region. They are confined in small area and compete over the same customers with limited services.

The staff report of (IMF, 2013) stated that ‘only 7.1 million have deposit accounts, i.e., less than 8% of Ethiopians have a bank account at the time. A recent figure also has showed that dramatic increase in the number of banked individuals though still there is a huge gap. 22% of 90 Million populations have bank accounts and out of the total working age population of 51 million estimated 39 million people do not have bank account CBE(2016).Furthermore, survey shows that only 43.5 % of urban and 53.6 % of Addis Ababa population had bank accounts (DHS, 2016).

This indicates that there is large potential for increasing the number of account holders by financial institutions and mobilize more resources and thereby increase their profits. This requires, among other, well organized and developed promotional strategies for their services which most of commercial banks lack. The situation has got little or no attention both by the financial sectors and by the researchers. As stated by (Yoseph, 2012), promotion of financial services in Ethiopia is the most understudied area. Even though CBE opened branches aggressively and improved its accessibility, it had a gap in marketing activities, especially in promotional practices CBE (2016)

Thus, the importance of well-developed and effective promotional strategies is very imperative for commercial banks in Ethiopia. Based on the above information this study has investigated the effect of promotional mix strategies on the profitability of commercial banks in Ethiopia: the case of commercial bank of Ethiopia.

1.4 Research Questions

In view of the problems, the central and sub research questions of this study are the followings:

1.4.1 Main Research Question

What are the effects of promotion mix strategies on profitability in Commercial Bank of Ethiopia?

1.4.2 Sub Research Questions

Research questions in which the study has given answer are the following.

- What is the effect of advertising on the profit of CBE?
- What is the effect of sales promotion on the profit of CBE?
- What is the effect of public relations and publications on the profit of CBE?
- What is the effect of personal selling on the profit of CBE?
- What is the effect of direct marketing on the profit of CBE?

1.5 Objectives of the Study

1.5.1 General Objective of the Study

To determine the effect of Promotion mix strategies on the profitability of Commercial Bank of Ethiopia.

1.5.2 Specific Objectives of the Study

The specific objectives of the study are presented as follows:

- To determine the effect of advertising on the profit of CBE.
- To determine the effect of sales promotion on the profit of CBE.
- To determine the effect of public relations and publications on the profit of CBE.
- To determine the effect of personal selling on the profit of CBE.
- To determine the effect of direct marketing on the profit of CBE.

1.6 Significance of the Study

Banks invest large amount of money to retain existing customers as well as to acquire new customers with the intention of achieving their profitability. But to achieve this without proper promotion strategy their investment is meaningless. Therefore, the finding and recommendations of the research may significantly contribute to generate awareness among the concerned people about promotion mix strategies of commercial bank of Ethiopia. And it attempted to assess drawbacks and problems encountered in the promotion mix strategy implementation. Furthermore, it will serve as stepping stone for further research in similar area. And lastly this study will give good idea to the researcher about this specific topic and general knowledge about any research.

1.7 Scope of the Study

In Ethiopia there are eighteen commercial banks under operation. From the number of the banks under operation the study used Commercial Bank of Ethiopia as case study. In order to make the scope of the study manageable, this research has focused on some major factors that determine bank profit and the study concentrated on the effects of Banks' Promotion strategies on profitability in Commercial Bank of Ethiopia. The study used both primary and secondary data and the primary data is used as a supplementary to strengthen the finding drowns from secondary data. The questionnaire has conducted on commercial bank of Ethiopia's branches, which are those found in four districts in Addis Ababa. Because conducting the whole branches of CBE is impractical in terms of time and finance. In addition, discovering the whole variables, which had impact on profit of CBE, is beyond the scope of this study and so, it has limited to the Promotion mixes only. Therefore the issue scope focused on:

Advertising (Print Ads such as Newspapers, Magazines, Brochures, booklet and leaflets, Outdoor and Broadcast Ads such as Television and Radio)

Sales promotion (Prizes, Cash Refund Offers (rebates), Premiums (gifts), Patronage Awards, and Fringe benefits)

Public relations and publicity (sponsorship, press conference, participation,events,public Service Activities, Identity Media, Motion pictures/slides, and Publications)

Personal selling (Personal selling skills and Qualities of sales people)

Direct Marketing (Telemarketing, Mail, Website and SMS or mobile marketing)

1.8 Definition of Terms

Promotion -has been defined as the coordination of all seller initiated efforts to set up channels of information and persuasion in order to sell goods and services or promote an idea. (George & Michael, 2003).

Advertising- is defined as any paid form of no personal communication about an organization, product, service, or idea by an identified sponsor (George & Michael, 2003).

Personal selling: Personal presentation by the firm's sales force for the purpose of making sales and building customer relationships (Kotler & Armstrong, 2005).

Sales promotion: Short-term incentives to encourage the purchase or sale of a product or service (Kotler & Armstrong, 2005).

Public relations -is building good relations with the company's various publics by obtaining favorable publicity, building up a good 'corporate image', and handling or heading off unfavorable rumors, stories and events(Kotler & Armstrong, 2005).

Direct marketing: Direct connections with carefully targeted individual consumers both to obtain an immediate response and to cultivate lasting customer relationships the use of telephone, mail, fax, email, the Internet and other tools to communicate directly with specific consumers (Kotler & Armstrong, 2005).

Promotion strategy: is the direct way in which an organization communicates the product or service to its target audiences (Brassington & Pettitt, 2000)

1.9 Organization of the Study

This study was organized in five chapters. Chapter one deals about Background of the study. Introduction, statement of the problem, research questions, objectives of the Study, hypothesis, definition of terms, significance of the Study and scope of the Study. Chapter two, deals about review of related literatures which emphasizes on correlation between the existing studies, researches, reports, etc. that would act as a basis for the proposed study. It is specific and up to the requirement of the proposed study. Chapter three deals about research methodology which elaborates and identifies all possible analysis based on the available data gathered. Besides, formal procedures of different analytical tools used to give a thorough analysis. Chapter four deals about data analysis and interpretation of the study and finally chapter five has emphasized on conclusion and recommendations of the study.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Introduction

This chapter presented a review of the literature related to the purpose of the study, and is organized according to the specific objectives of the study. The review was undertaken in order to eliminate duplication of what has been done and provide a clear understanding of existing knowledge base in the Problem area. The literature review is based on authoritative, recent, and original sources books.

2.2 Theoretical Review

This section contains different theoretical reviews of promotion mix strategies such as advertising, sales promotion, personal selling, public relations and publicity, and direct marketing. Further it has the concept of banks profitability, and marketing communication theories such as AIDA theory, promotion and the hierarchy of effect model, and relationship marketing theory.

2.2.1 Promotion Mix Strategies

Modern marketing calls for more than developing a good product, pricing it attractively, and making it accessible. Companies must also communicate with present and potential stakeholders as well as the general public. For most companies, the question is not whether to communicate but rather what to say, to whom, and how often.

The marketing communications mix consists of advertising, sales promotion, public relations and publicity, personal selling, and direct marketing, although savvy marketers know that communication goes beyond these five methods. The product's styling and price, the package's shape and color, the salesperson's manner and dress, the place's décor all communicate something to buyers. In fact, every brand contact delivers an impression that can affect a customer's view of the company. Therefore, the entire marketing mix must be integrated to deliver a consistent message and strategic positioning (Kotler., 2000)

According to Brassington and Pettitt (2000), promotion strategy is the direct way in which an organization communicates the product or service to its target audiences. Within the service sector, promotion is used in many different ways (Meidan, 1996). Brassington and Pettitt (2000) has categorized the promotional tools into five main elements; Advertising, Sales promotion, Public relations, Personnel selling, and Direct Marketing.

Table 2.1Common promotion Mix Plate Forms

Advertising	Sales Promotion	Events and Experiences	Public Relations and Publicity	Direct and Interactive Marketing	Personal Selling
Print and broadcast ads Packaging–outer Packaging inserts Cinema Brochures and booklets Posters and leaflets Directories Reprints of ads Billboards Display signs Point-of-purchase displays DVDs	Contests, games, sweepstakes, lotteries Premiums and gifts Sampling Fairs and trade shows Exhibits Demonstrations Coupons Rebates Low-interest financing Trade-in allowances Continuity programs Tie-ins	Sports Entertainment Festivals Arts Causes Factory tours Company museums Street activities	Press kits Speeches Seminars Annual reports Charitable donations Publications Community relations Lobbying Identity media Company magazine	Catalogs Mailings Telemarketing Electronic shopping TV shopping Fax E-mail Voice mail Company blogs Web sites	Sales-presentations Sales-meetings Incentive-programs Samples Fairs and trade shows

Adapted from(Kotler & Keller, 2012)

2.2.1.1 Advertising

Brassington and Pettit (2000) define advertising strategy as any paid form of non-personal communication directed towards target audiences and transmitted through various mass media in order to promote and present a product, services or idea. The key difference between advertising and other promotional tools is that it is impersonal and communicates with large numbers of people through paid media channels.

According to (Kotler., 2000)Advertising is any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor. Developing an advertising program involves setting objectives, setting a budget, choosing the advertising message, determining how the message will be generated, evaluating and selecting messages, executing the message, developing media strategies by establishing the ad’s desired reach, frequency, and impact and then choosing the media that will deliver the desired results, and evaluating the communication and sales effects of the advertising.

Advertising is a non-personal form of mass communication that offers a high degree of control to those responsible for the design and delivery of advertising messages. However, advertising’s ability to persuade the target audience to think or behave in a particular way is suspect (Jamieson, 2006)

Meidan (1996) states that a financial services organization can use its advertising for either its short term or its long term objectives. A bank attempting to generate a long term buildup of its name would use institutional advertising, while a bank interested in promoting its brand name and its different services would use a brand advertising policy.

Meidan (1996) further states that the institutional advertising consists of promotion of the firm’s image as a whole, and promotion of the products offered, with extra emphasis on the specific firm’s name organization. The organization seeks through its marketing communications, to build awareness and to impress customers looking for the best range of financial services. Due to the former impression of banks as impersonal institutions with no interest in their customers as people, and of financial services as abstract and quite similar, the institutional advertising has become more and more important.

Table 2.2 Profiles of Major Advertising Media Types

Medium	Advantages	Limitations
Newspapers	Flexibility; timeliness; good local market coverage; broad acceptance; high believability	Short life; poor reproduction quality; small "pass-along" audience
Television	Combines sight, sound, and motion; appealing to the senses; high attention; high reach	High absolute cost; high clutter; fleeting exposure; less audience selectivity
Direct mail	Audience selectivity; flexibility; no ad competition within the same medium; personalization	Relatively high cost; "junk mail" image
Radio	Mass use; high geographic and demographic selectivity; low cost	Audio presentation only; lower attention than television;nonstandardized rate structures; fleeting exposure
Magazines	High geographic and demographic selectivity; credibility and prestige; high-quality reproduction; long life; good pass-along readership	Long ad purchase lead time; some waste in circulation
Outdoor	Flexibility; high repeat exposure; low cost; low competition	Limited audience selectivity; creative limitations
Brochures	Flexibility; full control; can dramatize messages	Overproduction could lead to runaway costs
Telephone	Many users; opportunity to give a personal touch	Relative high cost; increasing consumer resistance
Internet	High selectivity; interactive possibilities; relatively low cost	Increasing clutter

Adopted from (Kotler & Keller, 2012)

2.2.1.2 Sales Promotion

Sales promotion describes incentives and rewards to get customers to buy now rather than later. Whereas advertising is a long-run tool for shaping the market's attitude toward a brand, sales promotion is a short term tool to trigger buyer action (Kotler p. , 2003)

According to (Kotler., 2000)Sales promotion consists of a diverse collection of incentive tools, mostly short term, that are designed to stimulate trial or quicker or greater purchase of particular goods or services by consumers or the trade. Sales promotion includes tools for consumer promotion, trade promotion, and business- and sales force promotion. In using sales promotion, as in using advertising, a company must set its objectives, select the tools, develop the program, pretest the program, implement and control it, and evaluate the results.

Sales promotion comprises various marketing techniques that are often used tactically to provide added value to an offering, with the aim of accelerating sales and gathering marketing information. Like advertising, sales promotion is a non- personal form of communication, but it has a greater capability to be targeted at smaller audiences. It is controllable, and although it has to be paid for, the associated costs can be much lower than those of advertising. As a generalization, the credibility of sales promotion is not very high, as the sponsor is or should be easily identifiable. However, the ability to add value and to bring forward future sales is strong and complements a macroeconomic need that focuses on short-term financial performance. (Jamieson, 2006)

According to (Kotler & Armstrong, 1999) an increasingly important communication tool is sales promotion. This promotional vehicle has traditionally been labeled the 'poor relation' of advertising. Advertising assumed significance because there was greater scope for advertising agencies to differentiate brands through creative campaigns, which also helped to enhance their organization's profile. However, a number of pressures have fuelled the recent growth in emphasis on sales promotions. Sales promotion consists of short term incentives, in addition to the basic benefits offered by the product or service, to encourage purchase or sales of that product or service. Whereas advertising offers reasons to buy a product or service, sales promotion offers reasons that would achieve immediate sales.

Sales promotion is generally broken into two major categories: consumer-oriented and trade-oriented activities. *Consumer-oriented sales promotion* is targeted to the ultimate user of a product or service and includes couponing, sampling, premiums, rebates, contests, sweepstakes, and various point-of-purchase materials .These promotional tools encourage consumers to make an immediate purchase and thus can stimulate short term sales. *Trade-oriented sales promotion* is targeted toward marketing intermediaries such as wholesalers, distributors, and retailers.

Promotional and merchandising allowances, price deals, sales contests, and trade shows are some of the promotional tools used to encourage the trade to stock and promote a company's products(George & Michael, 2003)

According to Brassington and Pettit (2000) sales promotion is tactical marketing techniques with mostly short- term incentives, which are to add value to the product or service, in order to achieve specific sales or marketing objectives. Furthermore, Meidan (1996) states that it has two distinctive qualities. Firstly, it provides a "bargain chance" since many sales promotion tools have an attention gaining quality that communicates an offer that although they appeal to a wide range of buyers, many customers tend to be less brand loyal in the long run. Secondly, if sales promotions are used too frequently and carelessly, it could lead to insecure customers, wondering whether the services are reliable or reasonably priced.

Meidan (1996) indicates that due to the conflicting ideas concerning the benefits of sales Promotions, a financial service organization must base its decisions upon relevance and usefulness of sales promotion, as well as cost-effectiveness.

Meidan (1996) further states that sales promotion within financial services appears to be most effectively used in combination with advertising. The primary objectives with sales promotion within financial services are to attract new customers; to increase the level of deposit accounts, thereby increasing the banks share of savings; to increase market share in selected market segments; and to lower the cost of acquiring new customers by seeking to avoid direct price competition with other financial institutions.

2.2.1.2.1 Major Consumer Promotion Tools

According to (Kotler., 2000)there are many consumer promotion tools .some of them are:

Samples: Offer of a free amount of a product or service. Coupons: Certificates offering a stated saving on the purchase of a specific product. Cash Refund Offers (rebates): Provide a price reduction after purchase: Consumer sends a specified "proof of purchase" to the manufacturer who "refunds" part of the purchase price by mail. Price Packs (cents-off deals): Promoted on the package or label, these offer savings off the product's regular price.

Premiums (gifts): Merchandise offered at low or no cost as an incentive to buy a particular product. Prizes (contests, sweepstakes, and games): Prizes offer consumers the chance to win cash, trips, or merchandise as a result of purchasing something. A contest calls for consumers to submit an entry to be examined by judges who will select the best entries. A sweepstakes asks consumers to submit their names for a drawing. A game presents consumers with something every time they buy bingo numbers; missing letters that might help them win a prize. Patronage Awards: Values in cash or points given to reward patronage of a certain seller. Fringe benefits: Extra incentives provided by company to employee. Motivational programs: Temporary incentives, e.g., contests, prizes, or awards.

Free Trials: Inviting prospects to try the product free in the hope that they will buy the product. Product Warranties: Explicit or implicit promises by sellers that the product will perform as specified or that the seller will fix it or refund the customer's money during a specified period. Tie-in Promotions: Two or more brands or companies team up on coupons, refunds, and contests to increase pulling power. Cross-Promotions: Using one brand to advertise another noncompeting brand. Point-of-Purchase (POP) Displays and Demonstrations: Displays and demonstrations that take place at the point of purchase or sale.

2.2.1.3 Public Relations and publicity

According to Brassington and Pettit (2000) the essence of public relations (PR) is to look after the nature and quality of the relationship between the organization and its different publics, and to create a mutual understanding. Public relations cover a range of activities, for example the creation and maintenance of corporate identity and image; charitable involvement, such as sponsorship, and community initiatives; media relation for the spreading of good news as well as for crisis management, such as damage limitation. Moreover, an organization can attend trade exhibitions to create stronger relationships with key suppliers and customers as well as enhancing the organizations presence and reputation within the market.

Traditionally, publicity and public relations have been considered more supportive than primary to the marketing and promotional process. However, many firms have begun making PR an integral part of their predetermined marketing and promotional strategies. PR firms are increasingly touting public relations as a communications tool that can take over many of the functions of conventional advertising and marketing. (George & Michael, 2003)

According to (Chunawalla, 2016)Publicity and Public Relations stimulate demand in a non-personal way. Public relations maintain effective relations of the organization with different publics like employees, customers, shareholders, suppliers, dealers, government, media and so on. Public relations put commercially significant news in media or get a favorable coverage on radio, television or stage. As media costs of this promotion are not paid for by the sponsor, it is called publicity. Publicity is “any form of non-paid commercially significant news or editorial comment about ideas, products and institutions”.

Meidan, (1996) states that another part of public relations is the publicity gained through magazines. Financial services obtain considerable publicity in so called quality press, such as different financial journals. In popular newspaper the publicity is, in contrary to the quality press, often negative from the financial firm’s point of view.Meidan(1996) further claims that the importance of public relations is being increasingly attended, and financial services often have public affairs officers, working actively to generate publicity.

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

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

Major Tools in Marketing PR

According to (Kotler., 2000)there are many tools in relation to marketing public relations and publicity. Some of them are:

Publications: Companies rely extensively on published materials to reach and influence target markets, including annual reports, brochures, articles, printed and on-line newsletters and magazines, and audiovisual materials. Events: Companies can draw attention to new products or other company activities by arranging special events like news conferences, on-line chats, seminars, exhibits, contests and competitions, and sport and cultural sponsorships that will reach the target publics.

Participation: Company-encouraged involvement in community activities, e.g., clubs, charities. News: One of the major tasks of PR professionals is to find or create favorable news about the company, its products, and its people. The next step getting the media to accept press releases and attend press conferences calls for marketing and interpersonal skills. Speeches: Speeches are another tool for creating product and company publicity and building the company's image. Public Service Activities: Companies can build goodwill by contributing money and time to good causes.

Identity Media: To attract attention and spark recognition, the firm's visual identity is carried by its logos, stationery, brochures, signs, business forms, business cards, Website, buildings, uniforms, and dress codes (Kotler, 2000).

2.2.1.4 Personal Selling

Personal selling is a form of person-to-person communication in which a seller attempts to assist and/or persuade prospective buyers to purchase the company's product or service or to act on an idea. Unlike advertising, personal selling involves direct contact between buyer and seller, either face-to-face or through some form of telecommunications such as telephone Sales. This interaction gives the marketer communication flexibility; the seller can see or hear the potential buyer's reactions and modify the message accordingly. The personal, individualized communication in personal selling allows the seller to tailor the message to the customer's specific needs or situation.

Personal selling also involves more immediate and precise feedback because the Impact of the sales presentation can generally be assessed from the customer's reactions. If the feedback is unfavorable, the salesperson can modify the message. Personal selling efforts can also be targeted to specific markets and customer types that are the best prospects for the company's product or service.(George & Michael , 2003).Further chunawalla (2016) states that Personal-selling is an oral presentation made to prospective customers so as to generate sales. It is just a conversation with a purpose.

According to Kotler et al. (1999) Personal selling is oral presentation in a conversation with one or more prospective purchasers for the purpose of making sales and building customer relationships.Jamieson (2006) argue that, Personal Selling Personal selling is traditionally perceived as an interpersonal communication tool that involves face-to-face activities undertaken by individuals, often representing an organization, in order to inform, persuade or remind an individual or group to take appropriate action, as required by the sponsor's representative. A salesperson engages in communication on a one-to-one basis where instantaneous feedback is possible. The costs associated with interpersonal communication are normally very large.

George (2003) states that personal selling, a form of person-to-person communication in which a seller attempts to assist and/or persuade prospective buyers to purchase the company's product or service or to act on an idea. Unlike advertising, personal selling involves direct contact between buyer and seller, either face-to-face or through some form of telecommunications such as telephone sales. This interaction gives the marketer communication flexibility; the seller can see or hear the potential buyer's reactions and modify the message accordingly.

The personal, individualized communication in personal selling allows the seller to tailor the message to the customer's specific needs or situation. Personal selling also involves more immediate and precise feedback because the impact of the sales presentation can generally be assessed from the customer's reactions. If the feedback is unfavorable, the salesperson can modify the message. Personal selling efforts can also be targeted to specific markets and customer types that are the best prospects for the company's product or service.Meidan (1996) claims that it is up to the sales force to enhance the bank's reputation by looking after its customers.

According to Christine and Nigel(2007).One of the major benefits of personal selling as a form of communication is that it allows immediate feedback from the consumer to the organization (or its representative).Other forms of communication are basically one-way, but personal selling is two-way. The customer can raise queries with the salesperson, and those queries or concerns can be dealt with immediately. This means that the information communicated can be very accurately tailored to the needs of particular individuals. Furthermore, because personal selling allows queries and responses, it is often thought to be very effective towards the end of the AIDA process – in encouraging action (purchase).Thus, although personal selling can be a valuable and effective form of promotion, it is also very expensive. It therefore tends to be used more heavily for relatively high-value products and when customers are close to making a purchase. As well as being expensive, it is also a form of promotion that can be difficult to manage.

2.2.1.5 Direct Marketing

Direct marketing consists of direct communications with carefully targeted individual customers to obtain an immediate response and cultivate lasting customer relationships. Direct marketers communicate directly with customers, often on a one-to-one, interactive basis. Using detailed databases, they tailor their marketing offers and communications to the needs of narrowly defined segments or even individual buyers. Beyond brand and image building, they usually seek a direct, immediate and measurable consumer response (Kotler & Armstrong, 2005).

According to George & Michael (2003) one of the fastest-growing sectors of the U.S. economy is direct marketing, in which organizations communicate directly with target customers to generate a response and/or a transaction. Traditionally, direct marketing has not been considered an element of the promotional mix. However, because it has become such an integral part of the IMC program of many organizations and often involves separate Objectives, budgets, and strategies, we view direct marketing as a component of the promotional mix.

Direct marketing is much more than direct mail and mail order catalogs. It involves a variety of activities, including database management, direct selling, telemarketing, and direct response ads through direct mail, the Internet, and various broadcast and print media. One of the major tools of direct marketing is direct response advertising, whereby a product is promoted through an ad that encourages the consumer to purchase directly from the manufacturer. Traditionally, direct mail has been the primary medium for direct-response advertising, although television and magazines have become increasingly important media.

Direct-response advertising and other forms of direct marketing have become very popular over the past two decades, owing primarily to changing lifestyles, particularly the increase in two-income households. This has meant more discretionary income but less time for in-store shopping. The availability of credit cards and toll-free phone numbers has also facilitated the purchase of products from direct-response ads. More recently, the rapid growth of the Internet is fueling the growth of direct marketing. The convenience of shopping through catalogs or on a company's website and placing orders by mail, by phone, or online has led the tremendous growth of direct marketing.

Direct-marketing tools and techniques are also being used by companies that distribute their products through traditional distribution channels or have their own sales force. Direct marketing plays a big role in the integrated marketing communications programs of consumer-product companies and business-to-business marketers. These companies spend large amounts of money each year developing and maintaining databases containing the addresses and/or phone numbers of present and prospective customers. They use telemarketing to call customers directly and attempt to sell those products and services or qualify them as sales leads. Marketers also send out direct mail pieces ranging from simple letters and flyers to detailed brochures, catalogs, and videotapes to give potential customers information about their products or services. Direct-marketing techniques are also used to distribute product samples or target users of a competing brand (ibid).

Other authors (Thomas & Housden, 2002) states that direct marketing is a discipline, a subset of marketing, which permits us to carry out certain marketing tasks more efficiently. It does this by gathering, analyzing and using information about individual customers and prospects. This information enables us to identify which of the people on our customer and prospect files are likely to be interested in a particular product, service or offer.

According to Brassington and Pettit (2000) direct marketing is an interactive system of marketing, using one or more advertising media to achieve measurable response anywhere, forming a basis for creating and further developing an on-going direct relationship between an organization and its customers, to be able to create and sustain quality relationship with sometimes hundreds or even thousands of individual customers, an organization needs to have as much information as possible about each one, and needs to be able to access, manipulate and analyze that information, thus, the database is crucial to the process of building the relationship.

Jamieson (2006) states that the growing utilization of direct marketing by organizations over recent years has been significant. It signals a shift in focus from mass to personalized communications. In particular, the use of direct mail, telemarketing and the fast- developing area of interactive communications represents through-the-line communications. By removing the face-to-face aspect of personal selling and replacing it with an email communication, a telephone conversation or a direct mail letter, many facets of the traditional salespersons' tasks can be removed, freeing them to concentrate on their key skill areas. Direct marketing seeks to target individual customers with the intention of delivering personalized messages and building a relationship with them based upon their responses to the direct communications.

Today, many marketers build long-term relationships with customers. They send birthday cards, information materials, or small premiums. Airlines, hotels, and other businesses adopt frequency reward programs and club programs. Direct marketing is the use of consumer direct (CD) channels to reach and deliver goods and services to customers without using marketing middlemen.

Direct marketers can use a number of channels to reach individual prospects and customers: Direct mail, catalog marketing, telemarketing, interactive TV, kiosks, Web sites, and mobile devices. They often seek a measurable response, typically a customer order, through direct-order marketing. Direct marketing has been a fast-growing avenue for serving customers, partly in response to the high and increasing costs of reaching business markets through a sales force. Sales produced through traditional direct marketing channels (catalogs, direct mail, and telemarketing) have been growing rapidly. Direct-mail marketing means sending an offer, announcement, reminder, or other item to an individual consumer. On the other hand, Telemarketing is the use of the telephone and call centers to attract prospects, sell to existing customers, and provide service by taking orders and answering questions. It helps companies increase revenue, reduce selling costs, and improve customer satisfaction (Kotler and Keller, 2012).

2.2.2 The Concept of Banks Profitability

Bank profitability is the ability of a bank to generate revenue in excess of cost, in relation to the bank's capital base. A sound and profitable banking sector is better able to withstand negative shocks and contribute to the stability of the financial system. (Athanasoglou, Brissimis, & Delis, 2005). Profitability in general is a relationship between the profits generated by the enterprise and investments that contributed to the achievement of these profits, and profitability ratios measure the efficiency with which a company turns business activity into profits. Profit margins assess the ability to turn revenue into profits. Return on assets measures the ability to use assets to produce net income. Return on equity compares the net income to shareholder equity.

According to (Aburime, 2008) profit means the difference between the revenue generated from the sale of output and the full opportunity cost of factor used in the production of that output. Included within costs are the premium charged for risk taking and the costs of using the owners capital. These are not included as cost in the accountant's measure of project which therefore does not correspond to this economic definition of profit. However, profit could either be normal or supernormal. Normal profit is that minimum amount of profit which a firm must acquire in order to induce the firm to remain in operation. Corporate profit planning remains one of the most difficult and time consuming aspects of financial management because of the many variables involved in the decision which are often outside the control of the company. It is even more difficult if the company is operating in a highly competitive economic environment .A business unit can only grow focusing on its inner strengths to exploit the opportunities in the market.

Consequently, the best definition as opined by(Tsomocos, 2003)should be adopted from a survival growth perspective as business unit should think of surviving before making profit.
Again, optimizing profit involves two variables; revenue and cost. The issue of profitability is a continuous issue that a company has to consistently make. Essentially profitability is concerned with the level of turnover that must be achieved in order to cover the level of turnover that must be achieved in order to cover costs and make surplus Corporate profitability may be improved through ratio analysis, breakeven analysis marginal analysis, cost control or through financial control It is therefore necessary to mention at this juncture that whether a bank is planning for profit or taking steps to improve its profitability, it must ensure that it has adequate liquidity to transact business and finance operations. If the plan is to improve or increase profitability by increasing the income level, the bank must be able to determine the financing needs for the new income level.

2.2.3 Marketing Communication Theories

Various theories have been suggested by different authors in relation to marketing communication. Some of the theories include; AIDA theory, hierarchy of effects theory, and relationship marketing theory.

1. AIDA Theory

Modern marketing theory can be shown in AIDA model. It is a basic movement of the marketing and advertisement resulted from the perception of customers. It was first developed by E.St. Elmo Lewis in 1898. A, I, D, A refers to Attention, Interest, Desire and Action respectively. AIDA is an acronym used in marketing and advertising that describes a common list of events that may occur when a consumer engages with an advertisement.

A - Attention (Awareness): attract the attention of the customer.

I - Interest: raise customer interest by focusing on and demonstrating advantages and benefits (instead of focusing on features, as in traditional advertising).

D - Desire: convince customers that they want and desire the product or service and that it will satisfy their needs.

A - Action: lead customers towards taking action and/or purchasing. Based on the needs of AIDA model, the aim of marketing is to attract the attention from potential clients, arouse their interest and desire to the final buying action.

By going each step, total number of potential clients will decrease step by step, becomes an inverted triangle. Marketing strategy of this model generally is to enlarge the bottom of the triangle. Or increase the convert rate (Potential client becomes a real buyer). The barriers are if just simply enlarging the bottom of the triangle will increase marketing cost greatly. The inconsistency between marketing and clients needs or dislike of marketing itself will reduce the convert rate of entering next layer of AIDA (Jiangyu., 2013).

The AIDA model produces a detailed illustration about the entire procedure of how advertising effects consumer behavior and the purchase decisions. It is an acronym, which consists of the factors of attention, interest, desire and action, all of them relevant to the relationship between consumer behavior and advertising. AIDA model is initiatory and simplest (Aaker & Joachimsthaler, 2000). It explains how personal selling works and shows a set of stair-step stages which describe the process leading a potential customer to purchase.

The first element, that is attention, describes the stage in which the brand manages to gain the attention of the consumer through the advertisement that he/she has come into contact with. It could be either positive or negative attention or sometimes, in a worse case, no attention at all. From the advertiser's standpoint, only the first case is a favorable one where the consumer pays positive attention to the advertisement and eventually the brand (Kotler, 2007).Organizations creating attention, interest, desire, and attraction of their products in the market using appropriate channels of communication to reach the mass market thus stimulating demand of existing and new products in the market.

Therefore, adoption of the theory by firms promotes tremendous growth of the companies in terms of client base and revenue (Aaker & Joachimsthaler, 2000)

2. Promotion and the Hierarchy of effects Model

AIDA is an acronym for: Awareness, Interest, Desire and Action. According to AIDA model, marketers should begin by winning attention or gaining awareness, creating interest, inspiring desire and precipitating the action or purchase in the prospects in order to enable its products to be adopted by the target market (Kimmel, 2005).

Before potential students decide to enroll with a university, they have to be aware on the existence of the institution and the programs it offers. Awareness is expected to generate interest which in turn will lead to the potential students to apply and enroll with a university.

Under the hierarchy of effects model, the buyers purchase decision is preceded by steps such as conviction about product benefits, preference for the brand, liking for the brand, knowledge relating to the benefits and features of the product, after an awareness of the product has been gained.

Students use different media when searching to choose universities they wish to enroll with thus they make use of the media for their specific needs. Basic implication of these models is that the function of persuasive communication should be handled differently at every stage of the buyer's adoption process. A previous author(Porter, 1985)Argues that MC tools can create competitive advantage, boost sales and profits, while saving money, time and stress. MC wraps communications around customers and helps them move through the various stages of the buying process. The organization simultaneously consolidates its image, develops a dialogue and nurtures its relationship with customers. This 'Relationship Marketing' cements a bond of loyalty with customers which can protect them from the inevitable onslaught of competition. The ability to keep a customer for life is a powerful competitive advantage.

3. Relationship Marketing Theory

Relationship marketing theory is a form of marketing developed from direct response marketing campaigns which emphasizes customer retention and satisfaction, rather than a dominant focus on sales transactions (Alexander, Schouten, & Koenig, 2002). As a practice, relationship marketing differs from other forms of marketing in that it recognizes the long term value of customer relationships and extends communication beyond intrusive advertising and sales promotional messages (Aaker & Joachimsthaler, 2000).With the growth of the internet and mobile platforms, relationship marketing has continued to evolve and move forward as technology opens more collaborative and social communication channels (Berglof & Bolton, 2002).

Relationship marketing involves a short-term arrangement where both the buyer and seller have an interest in providing a more satisfying exchange (Adebsi, 2006). This theory tries to disambiguiously transcend the simple post purchase-exchange process with a customer to make more truthful and richer contact by providing a more holistic, personalized purchase, and uses the experience to create stronger ties (Alexander, Schouten, & Koenig, 2002).

Relationship marketing relies upon the communication and acquisition of consumer requirements solely from existing customers in a mutually beneficial exchange usually involving permission for contact by the customer through an "opt-in"system (Adebsi, 2006).With particular relevance to customer satisfaction the relative price and quality of goods and services produced or sold through a company alongside customer service generally determine the amount of sales relative to that of competing companies (Berglof & Bolton, 2002).

A key principle of relationship marketing is the retention of customers through varying means and practices to ensure repeated trade from preexisting customers by satisfying requirements above those of competing companies through a mutually beneficial relationship (Albers. & Straughan., 2000).Extensive classic marketing theories center on means of attracting customers and creating transactions rather than maintaining them, the majority usage of direct marketing used in the past is now gradually being used more alongside relationship marketing as its importance becomes more recognizable. Increased profitability associated with customer retention efforts occurs because of several factors that occur once a relationship has been established with a customer (Berglof & Bolton, 2002).

2.3 Review of Empirical Studies

According to AUD (2015) in the study on Promotional Strategy impacts on organizational market Share and Profitability concluded that each promotional tool (sales promotion, advertising, personal selling and publicity) has statistically significant effect on profitability ($P < 0.05$).

The findings reveal that promotional strategy is potent tool to influence performance in the organization and equally a strategic option that could determine the survival of any organization in her drive and quest to achieve marketing objectives. The findings reveals further that promotional strategy affected market share and profitability in the selected companies differently and at significant level.

The study therefore recommends that organization in their promotional strategy plan should identify which of the promotional tools the customers responds to favorably and ensures resources are concentrated on sales promotion, advertising, and publicity to maximize returns on promotional strategy expenditures. The use of the promotional strategy tools should be determined by the promotional objectives to be achieved, market share or profitability. In addition, promotional budgets should be enhanced to further strengthen the impact of the adopted tools on market share and profitability. Further Study on the effect of promotional strategies on performance revealed a positive correlation between promotional strategies and sales (Alphonce, Victor, Fredrick, Beatrice, & Odhiambo, 2012).It was reported that at 5% level of significance, there was positive relationship between the promotional strategies and profits because as the costs on the promotional strategies increased so did the profits.

2.3.1 Relationship between Advertising and profitability

The variations in the growth rates of advertising expenditure of consumer goods and services in Australia during the period 1975-1995 by developing and testing a number of hypotheses. The regression results indicate, among other findings, that the growth in advertising expenditure is strongly correlated with the growth in sales and that movement in market shares exerts a significant effect on the growth in advertising expenditure (Metwally, 1997)

Further,(Andras & Srinivasan, 2003) highlighted the importance of higher advertising intensity in performance especially profits. The view of (Joshi & Hanssens, 2004) was not different from Andras and Srinivasan who concluded on the impact of advertising and R&D spending on sales and profits and also went on to show that there is a positive impact of advertising on market capitalization. Other researchers (Saeidi, Nazari., & Emami., 2013) in their study in which they focused on the effect of marketing mix in attracting customers explained that the use of advertising to attract customers to the bank is significant.

The study finding of(Rahman & Akhtar, 2016) shows that the relationship between profit changes and changes in promotion expenses of selected conventional banks is significantly positive It means there is possibility to increase profit in conventional banks through increasing the promotion expenses.

H1: Advertising has a significant and positive effect on the profit of CBE.

2.3.2 Relationship between Sales Promotion and Profitability

According to (AUD, 2015) study as mentioned above, sales promotion has a positive and significant effect on profitability (Darko.E, 2012). In his study also reported that there was a significant influence of sales promotion on consumer behavior. Implying an improvement in the sales promotion strategies will lead to a corresponding improvement in consumer buying behavior towards purchasing services at least in the short term. The study revealed that sales promotion has an influence in the purchase decision of consumers. It was realized that the consumer may not go through the entire decision making process anytime they want to purchase a service or product. The study of (Jamil., 2016) also concluded that promotional mix elements have a significant impact on consumer purchase decision.

Further,(Ofunya & Paul, 2015)was conducted a study on Effect of Promotional Mix Elements on Sales Volume of Financial Institutions in Kenya. Their findings indicate that promotional elements usually are used by various organizations to elicit responses from target markets to increase the market share. The findings have been summarized systematically answer the research questions and objectives. Findings of the study reveal that sales promotion (68%) was the highest ranked promotional mix element with regards to its effect on sales volume, personal selling (66%) was ranked second, advertising (65%) was ranked third, and public relations (63%) was ranked fourth while direct marketing (50%) was the least ranked. The findings from the regressions analysis indicate that sales promotion was the highest ranked promotional mix element with regards to its effect on sales volume, personal selling was ranked second, advertising was ranked third, public relations was ranked fourth while direct marketing was the least ranked.

The study also concluded that, the findings have brought a number of issues with regard to the use of promotional elements in organizations, especially financial institutions. First and foremost, it was established that sales promotion has the highest influence on sales volume of financial institutions in Kenya. Another very important finding is that the financial institutions use personal selling to increase sales volumes.

H2: Sales promotion has a significant and positive effect on the profit of CBE.

2.3.3 Relationship between Public Relations and profitability

An Assistant Professor, Faculty of Economics and Administrative Science, Zarqa University, Jordan (Iyad, 2016) studied on the Effect of Promotion Mix Elements on Consumers Buying decisions. Then the study examined the effect of promotion mix dimensions (advertising, personal selling, sales promotion, public relations) on consumers buying decisions at Zarqacity, after collecting and analyzing the data using SPSS, regression analysis show that all dimension have effect on consumers buying decision. Further, the study of (AUD, 2015) concludes that a public relations has a positive and significant effect on profitability.

H3: Public relations and publications have a significant and positive effect on the profit of CBE

2.3.4 Relationship between Personal Selling and profitability

The researcher (Grankvist, Kollberg, & Peterson, 2004) in their study in which they focused on promotional strategies for banking services, concluded that even though, personal selling is the most important promotional tool when promoting banking services, all elements of Promotion mix were used to some extent for promotion of banking services. This view was supported by (Ananda & Murugarah, 2003) who carried out similar study on financial industry and recognized the importance of promotional strategy influencing performance in the sector.

According to (AUD, 2015) study, personal selling has also a positive and significant effect on profitability like the other promotion mixes (advertising, sales promotion and public relations)..

H4: Personal selling has a significant and positive effect on the profit of CBE.

2.3.5 Relationship between Direct Marketing and profitability

Even though, the contribution rank of direct marketing is not as powerful as the other four promotion mixes (advertising, sales promotion, public relations and personal selling) it has effect on Sales Volume or profit of Financial Institutions. (Ofunya & Paul, 2015)was conducted a study on effect of promotional mix elements on sales volume of financial institutions in Kenya. The findings from the regressions analysis indicate that sales promotion was the highest ranked promotional mix element with regards to its effect on sales volume, personal selling was ranked second, advertising was ranked third, public relations was ranked fourth while direct marketing was the least ranked.

H5: Direct marketing has a significant and positive effect on the profit of CBE.

The study of (Mahsa ., Alireza., & Kambiz., 2015) shows that Promotion can be a powerful derives to persuade consumers and lead into increase of sales and profits and make most of those who don't have the experience of the product try it at least once. One of the main aims of implementing the promotional plans is to increase sales and profits, so by prioritizing the promotional tools from the most effective one to the least effective one, a proper procedure for good utilization of each one of these tools was highlighted.

Considering the prioritization of promotional mix tools, it is recommended that managers of companies pay attention to the tools with high final weight during arranging promotional programs. It should be said that the important thing in the promotion of different products is using a good promotional mix. So he recommended to marketing authorizes of companies to use good promotional mix based on final weight of each choices and prioritization of these tools and internal conditions of the company and the budget.

2.4 Conceptual Framework

The conceptual framework of this study is developed based on the literature review presented earlier and the models of internal marketing proposed by (Nagari, 2015);(Stephen., Aliyu., & Ibrahim ., 2017) to support the linkages between promotion mix elements and profitability suggested in this conceptual framework. To achieve this, the study identified a set of promotion mix elements, namely advertisement, sales promotion, personal selling, public relations and publicity, and direct marketing as discussed earlier in this chapter.

Elements of Promotion Mix

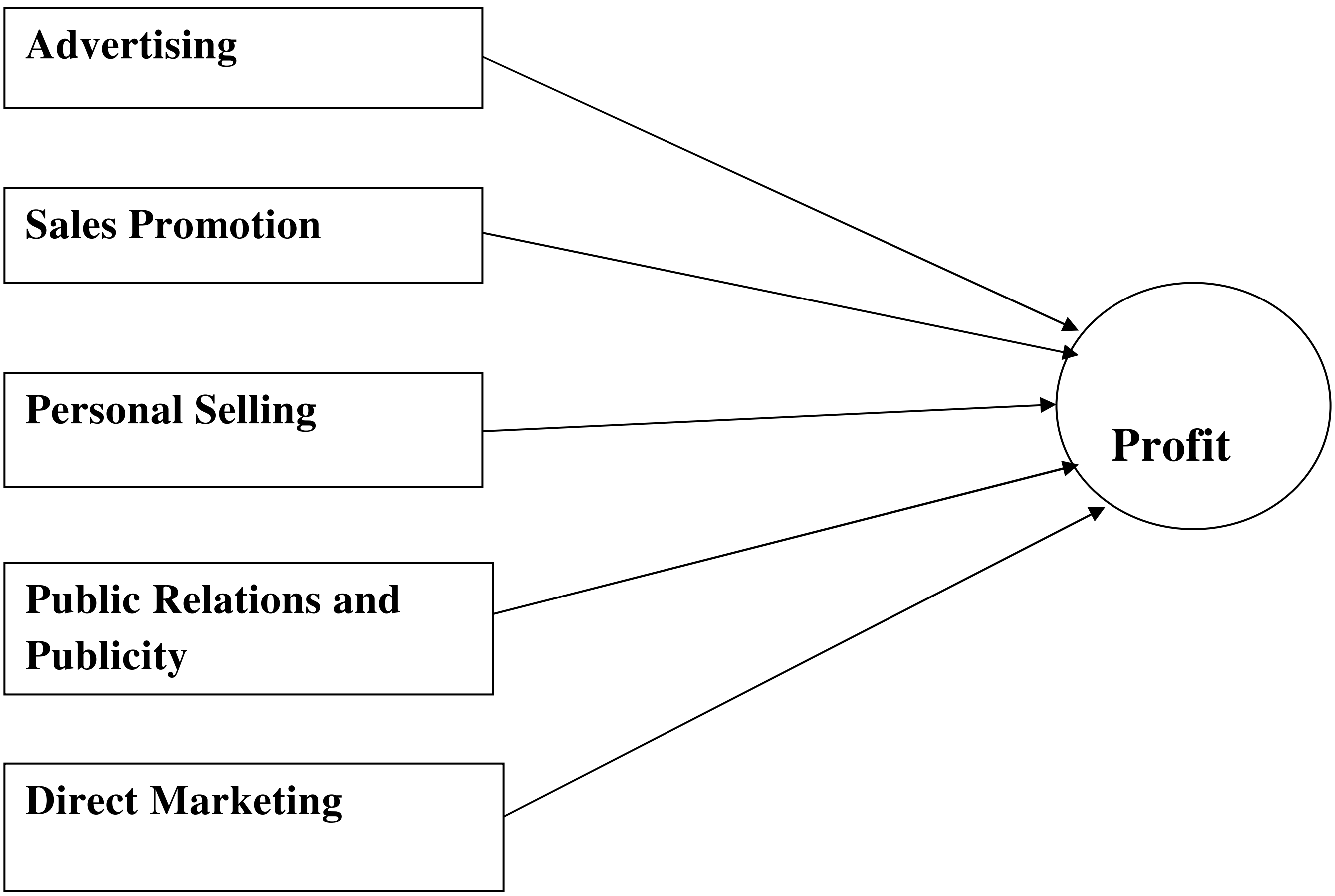

Figure 2.1 Conceptual Framework

Source:(Nagari, 2015);(Stephen., Aliyu., & Ibrahim ., 2017)

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter presents the research approach that was adopted in the study. It explains in detail the research methodology utilize and its justification for the purposes of this study. The chapter also discusses procedures and activities under taken, focusing on namely the study's research design, data collection, and sampling design, data processing and analysis and instrument development. It further addresses issues of reliability and validity and concludes with the ethical considerations of the study.

3.2 Research Approach

Some researchers prefer to use mixed methods approach by taking advantage of the differences between quantitative and qualitative methods, and combine these two methods for use in a single research project depending on the kind of study and its methodological foundation (Bryman & Burgess, 1999)the choice of research approach should be based on the purpose of the study. Therefore based on the above information, in order to gain a better understanding on the effects of promotion strategy on profitability in CBE the researcher has chosen mixed methods approach or a blend of quantitative and qualitative methods which are questionnaire and interview respectively.

3.3 Research Design

Research design is the blueprint for fulfilling research objectives and answering research questions(John, Hafiz, Robert, & David, 2007) the same authors discusses three types of research design, namely exploratory (emphasizes discovery of ideas and insights), descriptive (concerned with determining the frequency with which an event occurs or relationship between variables) and explanatory (concerned with determining the cause and effect relationships). As this study aims to examine the effect of promotion mix on profit of, thus it targets to measure relationships between variables, a combination of descriptive and explanatory type of research were used. Descriptive type of research was used because it involves investigation which provides detailed picture of the situation and detail description of the findings display in tables the level of promotion mix (advertising, sales promotion, personal selling, public relations and publicity, and direct marketing) as perceived by CBE employees and customers, and describe the level of CBE profit. Explanatory type of research was also applied since it enriches and supports the previous theories through comparing the findings with research questions.

3.4 Sampling Design

3.4.1 Target Population

According to Grinnell & Williams (1990) a population can be defined as the totality of people or objects with which a study is concerned. Accordingly, the population of this study was commercial bank of Ethiopia's customers and employees.

3.4.2 Population

The study populations were the CBE's employee and customer groups. They were the target population as they were in good stead of appraising the promotion mix strategies that commercial Bank of Ethiopia employed.

3.4.3 Sampling Frame

A sampling frame is a list of all the units of the population of interest. Due to conduct all the population of commercial bank of Ethiopia was impractical. The sample frame of this study was delimited to branches found only in Addis Ababa.

3.4.4 Sampling Technique

Due to the number of customers were too large, it was difficult to get a complete list and handle it. And by assuming that the target respondents were homogenous. Hence, convenience sampling method was used for data collection. Convenience sampling is a non-probability sampling technique where subjects are selected because of their convenient accessibility and proximity to the researcher .Convenience sampling is very easy to carry out and requires relative little cost and time to carry out.

On the other hand, the researcher wants to make sure that every employee at CBE has an equal chance of being chosen. Therefore, the study was utilized **systematic simple random sampling** technique (probability sampling technique). In the case of simple random sample every member of the population has a known and equal chance of selected. This method reduced the potential for bias in the selection of respondents included in the sample. This sampling method was employed for the reason that it can be specifying each employees of CBE here in Addis Ababa. And a complete list of data could get from human resource management (HRM) of the bank.

Numbers were assigned to each name of employee which are found in Addis Ababa and then a random sample was generated by using random number generator. *Please see appendix IV the random number generated.* This table of 378 random numbers was produced according to the following specifications: Numbers were randomly selected from within the range of 1 to11, 236. Duplicate numbers were not allowed.

Formula for **systematic simple random sampling:** **K=N/n**

Where: K=Sampling Interval

N=Total population n=Sample size

K=11,276/378 K≈30

3.4.5 Sample Size

As mention in the sampling frame above, this study was focused in commercial bank of Ethiopia specifically in Addis Ababa area. The numbers of customers (the four districts in Addis Ababa) and employees were greater than 5 million and 11,200 respectively (CBE, 2016) .But the number was too large and it was difficult to conduct all. Hence, Convenience sampling was used and so, only 384 samples was taken from customers, and 378 has taken from employees per suggestion of (Krejcie & Morgan, 1970) for considering sample size respective to the population size. *Please see appendix V Krejcie and Morgan table.*

3.4.6 Sampling Procedure

The student researcher used probability sampling procedure (simple random sampling) and non-probability sampling procedure (convenience sampling) to select CBE employee and customer respondents respectively.

3.5 Sources of Data

The study was employed both primary and secondary sources of data. Primary data were collected through well designed questionnaire adopted from previous study. This was completed by respondents (CBE employees and customers) that were willingly filled and returned the questionnaire. Secondary data were collected from CBE data base and annual report journals. Besides, variety of books, websites, research journals, thesis and articles were reviewed to make the study fruitful. Further, interview has made to the marketing officers of business development of the bank.

3.6 Data Collection Instrument

Closed/ structured questionnaire of data collection is quite popular, particularly in case of big enquiries (Kothari R. , 2004). Therefore, a structured questionnaire was utilized to collect the data from CBE employees and customers. The respondents were asked to rate their level of perception of the five variables on five point Likert scale. In addition, demographic data from each respondent were collected.

Table 3.1 Research Variables and Their Corresponding Measures

Constructs	Source	No. of Items
Advertisement	(Ofunya, F.A, and Paul, M.M., 2015);(Farhad., Rosa ., & Alireza., 2012); (Nagari,.B,andMbayisi,E.M.,2015); Yoseph,B.(2012)	12items were used to measure this variable
Sales Promotion	(Ofunya, F.A, and Paul, M.M., 2015);(Farhad., Rosa ., & Alireza., 2012); (Nagari,.B,andMbayisi,E.M.,2015); Yoseph,B.(2012)	8items were used to measure this variable
Persona Selling	(Ofunya, F.A, and Paul, M.M., 2015);(Farhad., Rosa ., & Alireza., 2012); (Nagari,.B,andMbayisi,E.M.,2015); Yoseph,B.(2012)	8 items were used to measure this variable
Public Relations and Publicity	(Ofunya, F.A, and Paul, M.M., 2015);(Farhad., Rosa ., & Alireza., 2012); (Nagari,.B,andMbayisi,E.M.,2015); Yoseph,B.(2012)	10 items were used to measure this variable
Direct Marketing	(Ofunya, F.A, and Paul, M.M., 2015);(Farhad., Rosa ., & Alireza., 2012); (Nagari,.B,andMbayisi,E.M.,2015); Yoseph,B.(2012)	5 items were used to measure this variable
Profit	(Rahman & Akhtar, 2016);(Moges., 2017)); (Mark. & Ilse., 2008)	5 items were used to measure this variable

Profit was examined using 43 items, which contains five underlying dimensions (i.e. advertisement, sales promotion, personal selling, public relations and publicity, and direct marketing). Profit was examined using 6 items. The questionnaire was developed and distributed in English language for employees, no translation was carried out. This is because one of their job requirements is the skill of English language for CBE employees. So, no

translation was needed. The questionnaire for customers was developed and distributed in Amharic language and translation was carried out according to yoseph (2012)
For each independent dimension, items are measured on a five point Likert scale, with anchors 1 for “Strongly disagree” and 5 for “Strongly agree”

On the other hand, for each dependent dimension, items are measured on a five point Likert scale, with anchors 1 for “very low” and 5 for “very high”

3.7 Data Processing and Analysis

The data collected through self-administered questionnaires were process by using SPSS version 20.0. Only questionnaires that were returned and fully completed deemed valid and used in the analysis, but if the questionnaires were not be returned or not fully completed then they were deemed to void. This is the further transformation of the processed data to look for patterns and relationship between and/or among data groups by using descriptive and inferential analysis.

3.7.1 Descriptive Analysis

Descriptive analysis such as frequencies, percentages, means and standard deviations were used to summarize and present the data. In addition to this, Pearson’s correlation coefficient used to show the interdependence and to ascertain whether a statistically significant relationship between the independent and dependent variables. According to (Sekaran & Bougie, 2010), correlation coefficient can range from -1 to +1.The value of -1 represents a perfect negative correlation while a value of +1 represents a perfect positive correlation. A value of 0 correlations represents no relationship. The results of correlation coefficient may be interpreted as follows.

Table 3.2 Guideline for the Pearson Correlation Analysis

Pearson Correlation	Strength of correlation relationship
r = 0.10 to 0.29 or r = -0.1to -0.29	Weak
r = 0.30 to 0.49 or r = -0.30 to -0.49	Moderate
r = 0.50 to 1.00 or r = -0.50 to -1.00	Strong

Source: Sekaran and Bougie (2010)

3.7.2 Inferential Analysis

According to (Sekaran, 2000) inferential statistics allows to infer from the data through analysis the relationship between two or more variables and how several independent variables might explain the variance in a dependent variable. With regard to inferential statistics which were run in this research are as follows:

3.7.3 Multiple Regressions

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

Model Specification

The equation of regressions on this study is generally built around two sets of variables, namely dependent variable (profit) and independent variables (advertising, sales promotion, public relations and publicity, personal selling and direct marketing). The basic objective of using regression equation on this study was to make the study more effective at describing, understanding and predicting the stated variables. The regression equation is presented as follows:

$$\mathbf{Y = \alpha 1 + \beta 1X1 + \beta 2X2 + \beta 3\ X3 + \beta 4X4 + \varepsilon}$$

Where:

Y = Profit of CBE

X1 = Advertising

X2= sales promotion
X3 = Personal Selling
X4 = public relations and Publicity
X5 = Direct marketing
$\alpha 1$ = the intercept term- constant which would be equal to the mean if all slope coefficients are 0.

ε = Error

$\beta 1$, $\beta 2$, $\beta 3$, $\beta 4$ and $\beta 5$ are the coefficients associated with the average amount the dependent Variable increases when the independent variable increases by one standard deviation.

3.8 Reliability and Validity of the Instrument

3.8.1 Instrument Validity

Validity is the precision of a measure or the degree to which research instruments measure what it is supposed to measure (Zikmund & Babin, 2010). There are various types of validity use in research studies but for the purpose of this study the face validity was used. This is because the study has been proven through thorough pre-testing, rewording and reevaluation of the instrument used. Therefore in determining the face validity an advisor was taking to ensure validity of the instruments. Besides, the opinion of bank experts and academicians in the field were taken to ensure the validity of the instrument. The questionnaire was finally revised based on the field feedback collected from experts in the field.

3.8.2 Instrument Reliability

Reliability can be defined as the extent to which a scale is able to obtain consistent results across time, different evaluators or different items (Churchill, 2007). Internal consistency reliability test was conducted and the Cronbach's alpha coefficient for the instrument was calculated. Cronbach alpha values vary in values from 0, meaning no consistency, to 1, meaning complete consistency. Cronbach alpha values of 0.80 or higher are considered as high reliability, those between 0.70

and 0.80 are regarded as having good reliability, values between 0.60 and 0.70 are fair, and coefficients lower than 0.60 are questionable (Hair, Wolfinbarger, Ortinaw, & Bush, 2010).

Before distributing the questionnaire to all respondents, 20 questionnaires for pilot test to make sure the questions are clear and reliable (Adams, Jennifer, Chris, Leslie, & W, 2007).Hence, a total of 20 questioners were distributed in one branch for the pilot survey which has helped the researcher to ensure that the questionnaire were in fact clear to respondents and reliable. After pretesting questionnaire in one branch, it was assessed using Cronbach's coefficient alpha. The alpha values for all constructs in the study as shown in Table 3.3 are greater than the guideline of 0.70, so it can be concluded that the scales can be applied for analyses with acceptable reliability.

Table 3.3 Reliability Test for Pilot Study

Constructs	Cronbach's Alpha		Number of Items	
	Employees	**Customers**	**Employees**	**Customers**
Advertisement	.939	.939	12	12
Sales Promotion	.782	.853	8	4
Persona Selling	.907	.991	8	9
Public Relations and Publicity	.938	.938	10	10
Direct Marketing	.882	.882	5	5
Profit	.883	.883	6	6

3.9 Ethical Consideration

All the research participants included in this study were appropriately informed about the purpose of the research and their willingness and consent will be secured before the commencement of distributing questionnaire. Respondent were informed their full right to fill the questions or to withdraw from the study at any time without any unfavorable consequences, and they are not harmed as a result of their participation or non-participation. Also no information was modified or changed, therefore information were presented as collected and all the literatures collected for the purpose of this study are appreciate in the reference list.

Furthermore, to reach the employee and customer respondents, and CBE's business development marketing officers interviewee, the student researcher provided formal letters from AAUSC and CBE human resource development (HRD).*Please see all the letters in appendixes XIV.*

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Introduction

Generally, this chapter is organized in the following manner: It consists of reliability and Validity test for the measures used, the demographic profile of the respondents were presented and analyzed. The respondent groups were both CBE employees and customers and the interviewees were business development officers. To facilitate ease in conducting the empirical analysis, the results of descriptive analyses were presented first, followed by the results of Pearson's correlation coefficient and multiple regressions were analyzed. Moreover, profit and promotion expense was carried out in table and linear chart to compare the trends in different fiscal years. Finally, results and discussions were presented in summarized way.

4.2 Samples and Response Rate

The questionnaires were distributed in person and by mail to the selected employees. These selected employees were informed by phone and in person to send the questionnaires back for collection. A total of 378 questioners were distributed, and 347were received back. After excluding 15 invalid questionnaires, a total of 332 valid questionnaires were accepted for a response rate of 91.79%. Out of the 378 questionnaires distributed, 87.83% of the subjects returned valid questionnaires.

4.3 Demographic Profile of Employee Respondents

The samples of this study have been classified according to five demographic backgrounds information collected during the questionnaire survey. The purpose of the demographic analysis in this research is to describe the characteristics of the sample such as the number of respondents' proportion of males and females in the sample, range of age, academic qualification, and service years of respondents of CBE employees. The demographic composition of the respondents is summarized in Table 4.1 below.

It is evident from the table that the majority of CBE employees are between the ages of 25-35 (75.6%). The major participants were males (64.5%), whilst 35.5 % of the participants were females. Furthermore, the academic qualification of the respondents consist 2.7% diploma,91.0% first degree,5.4% second degree and 0.9% others respectively. 49.1%respondents were service years between 1-5 years. In summary, the majority of the respondents were males within the age group 25-35 having predominantly first degree and. 1-5 years work experiences. This implies that the respondents have good experience and educational back ground to answer the questionnaire. In other words they have awareness about the subject matter.

Table 4.1 Demographic Information for CBE Employee Respondents

Items	Description	Frequency	Percentage	Cumulative Percent
Gender	Male	214	64.5	64.5
	Female	118	35.5	100.0
	Total	332	100.0	
Age	18-24	14	4.2	4.2
	25-35	251	75.6	79.8
	36-45	64	19.3	99.1
	Above 46	3	.9	100.0
	Total	332	100.0	
Academic qualification	Diploma	9	2.7	2.7
	First degree	302	91.0	93.7
	Second degree	18	5.4	99.1
	PhD	0	0	0
	Others	3	.9	.9
	Total	332	100.0	100.0
Position in the bank	Officer	247	74.4	74.4
	Controller	11	3.3	77.7
	Accountant	15	4.5	82.2
	CRO	9	2.7	84.9
	CSM	38	11.4	96.4
	Manager	12	3.6	100.0
	Total	332	100.0	
Service years	1-5	163	49.1	49.1
	6-10	110	33.1	82.2
	11-15	38	11.4	93.7
	16-20	15	4.5	98.2
	Above 20	6	1.8	100.0
	Total	332	100.0	

Source: Computation from Survey Data (2018)

4.4 Demographic Profile of Customer Respondents

The samples of this study have been classified according to four demographic backgrounds information collected during the questionnaire survey. The purpose of the demographic analysis in this research is to describe the characteristics of the sample such as the number of respondents' proportion of males and females in the sample, range of age, academic qualification, and period of loyalty CBE customers. The demographic composition of the respondents is summarized in Table 4.2 below.

It is evident from the table that the majority of CBE customers are between the ages of 18-24 (33.7%). The major participants were males (53.4%), whilst 46.6 % of the participants were females. Furthermore, the academic qualification of the respondents consist 46.3% diploma,31.7% first degree,10.3% second degree and 11.7% others respectively. Regarding the period of customer loyalty 1-5 years (40.0%), 6-10 years (33.4%), 11-15 years (16.3), 16-20 years (3.4%) and above twenty years 3.4% respectively.

In summary, the majority of the respondents were females within the age group 18-24 having predominantly diploma and. 1-5 period of loyalty. This implies that the respondents have good experience and educational back ground to answer the questionnaire. In other words they have awareness about the subject matter.

Table 4.2 Demographic Information for CBE Customer Respondents

Items	Description	Frequency	Percentage	Cumulative Percent
Gender	**Male**	163	46.6	46.6
	Female	187	53.4	100.0
	Total	**350**	**100.0**	
Age	**18-24**	118	33.7	33.7
	25-35	110	31.4	65.1
	36-45	111	31.7	96.9
	Above 46	11	3.1	100.0
	Total	**118**	**33.7**	
Academic qualification	**Diploma**	162	46.3	46.3
	First degree	111	31.7	78.0
	Second degree	36	10.3	88.3
	PhD	0	0	0
	Others	41	11.7	100.0
	Total	**350**	**100.0**	
period of loyalty	**1-5**	140	40.0	40.0
	6-10	117	33.4	73.4
	11-15	57	16.3	89.7
	16-20	12	3.4	93.1
	Above 20	12	3.4	96.6
	Missing	12	3.4	100.0
	Total	**350**	**100.0**	

Source: Computation from Survey Data (2018)

4.5 Reliability Test

The pilot survey has proved the questioners designed to collect the desired data was reliable. Moreover, for the reliability test of the all data Cronbach's alpha was calculated using SPSS and the result is presented in Table 4.3 below. The alpha values for all constructs in the study are greater than or equal to the guideline of 0.70, so it can be concluded that the measurements can be applied for analyses with acceptable reliability.

Table 4.3 Measurement Reliability

Constructs	Cronbach's Alpha		Number of Items	
	Employees	Customers	Employees	Customers
Advertising	.937	.942	12	12
Sales Promotion	.940	.869	8	4
Personal Selling	.956	.922	8	9
Public relations and Publicity	.931	.681	10	10
Direct Marketing	.875	.673	5	5
Profit	.722	.721	6	6

Source: Computation from survey data (2018)

4.6 Descriptive Statistics

In this section, the respondents answer present in the form of table. The tables contain mean and standard deviation of their response. Mean value provides the idea about the central tendency of the values of a variable. Standard deviation is to give the idea about the dispersion of the values of a variable from its mean value.

All of the independent variables were measured using five point Likert scale ("1" Strongly disagree; to"5" Strongly agree). The interpretations of the Likert scale results are: scores of 1 to 2.32indicate low level, scores of 2.33 to 3.65 indicate medium level, and scores of 3.66 to 5indicate high level (Alhakimi and Alhariry, 2014).Furthermore, all of the dependent variables were measured using five point Likert scale ("1" very low; to "5" very high).

4.6.1 CBE employees' and Customers' Perception on Advertisement

This section of the questionnaire tested the attitude and views about advertisement levels of CBE employees. A series of five statements were presented to respondents and respondents were asked to rate their level of agreement with each statement. Table4.4 indicates the mean and standard deviation for each item of employees and customers.

4.6.1.1 CBE Employees' Perception on Advertisement

The means for the advertisement items construct ranged between 2.69 and 3.20(1=strongly disagree and 5= strongly agree) and the standard deviation for the advertisement perception construct ranged between 1.161 and 1.243 which show some level of variance. The statement which respondents agree with most was “The bank’s advertisements through newspapers are strong in creating awareness” (mean=3.20 and standard deviation= 1.178).The statement indicating the least level of agreement was “The bank’s TV advertisements have the power to stay in mind for long times” (mean= 2.69 and standard deviation= 1.211). The overall mean for the perception of advertisement is 2.98.This implies that, according to employees’ perception the effect of advertisement on CBE profitability is towards medium level. This is as per the standard of (Alhakimi and Alhariry, 2014), which is mentioned in detailed in the descriptive statistics section above.

4.6.1.2 CBE Customers’ Perception on Advertisement

The means for the advertisement items construct ranged between 2.71 and 3.19(1=strongly disagree and 5= strongly agree) and the standard deviation for the advertisement perception construct ranged between 1.163 and 1.248 which show some level of variance. The statement which respondents agree with most was “The bank’s advertisements through Television are strong in creating awareness” (mean=3.20 and standard deviation= 1.185).The statement indicating the least level of agreement was “The bank’s advertisements through newspapers are strong in creating awareness” (mean= 2.71 and standard deviation= 1.217). The overall mean for the perception of advertisement is 2.99.This implies that, according to customers’ perception the effect of advertisement on CBE profitability is towards medium level. This is as per the standard of (Alhakimi and Alhariry, 2014), which is mentioned in detailed in the descriptive statistics section above.

Table 4.4: Descriptive Statistics for Attitude of CBE Employees and Customers about Advertisement

Advertisement	Employees		Customers	
	Mean	Std. Dev.	Mean	Std. Dev.
The bank's advertisements through **radio** are strong in creating awareness	2.98	1.243	2.99	1.248
The bank's advertisements through **Television** are strong in creating awareness	2.69	1.207	3.19	1.185
The bank's advertisements through **newspapers** are strong in creating awareness	3.20	1.178	2.71	1.217
The bank's advertisements through **Billboards** are strong in creating awareness	3.08	1.169	3.09	1.175
The bank's advertisements through **Magazines** are strong in creating awareness	2.97	1.235	2.99	1.233
The bank's advertisements through **Brochure** and **booklets** are strong in creating awareness	2.70	1.205	2.73	1.207
The bank's advertisements through Posters and leaflets are strong in creating awareness	3.19	1.178	3.18	1.181
The bank's advertisements are not exaggerated more than the services available	3.07	1.166	3.07	1.170
The bank's advertisements have strong persuasion power	2.96	1.233	2.97	1.231
The bank's TV advertisements have the power to stay in mind for long times	2.69	1.211	2.72	1.216
The bank's Radio advertisements have the power to stay in mind for long times	3.18	1.175	3.18	1.178
In general, the bank's advertisements are clear and attractive.	3.06	1.161	3.06	1.163
Overall level of employees perception about advertising	**2.98**	**.920**	2.99	.938

***Source**: Computation from survey data (2018)*

4.6.2 CBE Employees' Perception on Sales Promotion

This section of the questionnaire tested the attitude and views about sales promotion levels among CBE employees. A series of eight statements were presented to respondents and respondents were asked to rate their level of agreement with each statement. Table 4.5indicates the mean and standard deviation for each item.

Table 4.5: Descriptive Statistics for Attitude of CBE Employees about Sales Promotion

Sales Promotion	**Employees**	
	Mean	**Std. Dev**
The bank gives Gifts for its customers	**3.48**	**1.190**
The additional interest given by the bank to women, teen youth and youth saving account holders is encouraging customers to deposit more money	**3.23**	**1.225**
The discount given by CBE's business partners to women saving account holders is encouraging to saving culture.	**3.46**	**1.169**
The financial incentive which gives to top educational saving depositors is very encouraging to saving culture of customers.	**3.37**	**1.171**
The bank gives Certificate award to big customers	**3.32**	**1.105**
The bank addresses about its organization facts to employees	**3.24**	**1.114**
The bank gives adequate Fringe benefits to its employees	**3.34**	**1.177**
The bank has different Motivational programs to its employees	**3.15**	**1.089**
Overall level of employees perception about sales promotion	**3.32**	**.970**

The means for the sales promotion items construct ranged between 3.15 and 3.48(1= strongly disagree and 5= strongly agree) and the standard deviation for the sales promotion perception construct ranged between 1.089 and 1.225 which show some level of variance. The statement which respondents agree with most was "The bank gives Gifts for its customers" (mean=3.48 and standard deviation=1.190). The statement indicating the least level of agreement was "The bank has different Motivational programs to its employees" (mean= 3.15 and standard deviation= 1.089). The overall mean for the perception of sales promotion is 3.32.This implies that, according to employees' perception the effect of sales promotion on CBE profitability is towards medium level. This is as per the standard of (Alhakimi and Alhariry, 2014), which is mentioned in detailed in the descriptive statistics section above.

4.6.3 CBE Customers' Perception on Sales Promotion

This section of the questionnaire tested the attitude and views about sales promotion levels among CBE employees. A series of four statements were presented to respondents and respondents were asked to rate their level of agreement with each statement. Table 4.6indicates the mean and standard deviation for each item.

Table 4.6: Descriptive Statistics for Attitude of CBE Customers about Sales Promotion

Sales Promotion	**Customers**	
	Mean	**Std. Dev**
The Prize Linked Savings Program of the bank encouraged my saving culture.	3.49	1.186
The bank gives Gifts for its customers	3.21	1.230
The additional interest given by the bank to women, teen youth and youth saving account holders is encouraging customers to deposit more money	3.47	1.169
The discount given by CBE business partners to women saving account holders is encouraging to saving culture.	3.38	1.173
Overall level of employees perception about sales promotion	**3.39**	**1.008**

Source: *Computation from survey data (2018)*

The means for the sales promotion items construct ranged between 3.21 and 3.49(1= strongly disagree and 5= strongly agree) and the standard deviation for the sales promotion perception construct ranged between 1.173 and 1.230 which show some level of variance. The statement which respondents agree with most was "The Prize Linked Savings Program of the bank encouraged my saving culture" (mean=3.49 and standard deviation=1.186). The statement indicating the least level of agreement was "The bank gives Gifts for its customers" (mean= 3.21andstandard deviation= 1.230). The overall mean for the perception of sales promotion is 3.39.This implies that, according to customers' perception the effect of sales promotion on CBE profitability is towards medium level.This is as per the standard of (Alhakimi and Alhariry, 2014), which is mentioned in detailed in the descriptive statistics section above.

4.6.4 CBE Employees' and Customers' Perception on Personal Selling

This section of the questionnaire tested the attitude and views about personal selling levels among CBE employees and customers. A series of eight statements were presented to respondents and respondents were asked to rate their level of agreement with each statement. Table 4.7 indicates the mean and standard deviation for each item.

4.6.4.1 CBE Employees' Perception on Personal Selling

The means for the personal selling items construct ranged between 3.21 and 3.58(1= strongly disagree and 5= strongly agree) and the standard deviation for the personal selling perception construct ranged between 0.978 and 1.170 which show some level of variance. The statement which respondents agree with most was "The employees of the bank have high customer handling practice" (mean=3.58 and standard deviation 1.164). The statement indicating the least level of agreement was "Employees of the bank create strong awareness about the bank's products to customers" (mean= 3.21 and standard deviation= 1.080). The overall mean for the perception of personal selling is 3.47.This implies that, according to employees' perception the effect of personal selling on CBE profitability is towards medium level. This is as per the standard of (Alhakimi and Alhariry, 2014), which is mentioned in detailed in the descriptive statistics section above.

4.6.4.2 CBE customers' perception on personal selling

The means for the advertisement items construct ranged between 3.00 and 3.25(1=strongly disagree and 5= strongly agree) and the standard deviation for the advertisement perception construct ranged between 1.127 and 1.253 which show some level of variance. The statement which respondents agree with most was "The employees of the bank have high customer handling practice" (mean=3.25 and standard deviation= 1.183).The statement indicating the least level of agreement was "Employees of the bank provide adequate information on the bank's services to customers." (Mean= 3.00 and standard deviation= 1.192). The overall mean for the perception of advertisement is 3.16.This implies that, according to customers' perception the effect of personal selling on CBE profitability is towards medium level. This is as per the standard of (Alhakimi and Alhariry, 2014), which is mentioned in detailed in the descriptive statistics section above.

Table 4.7: Descriptive Statistics for Attitude of CBE Employees and Customers about Personal Selling

Personal Selling	Employees		Customers	
	Mean	Std. Dev	Mean	Std. Dev
The bank's employees have a very good selling technique skills to sell the bank's products (services)	3.67	1.127	3.25	1.239
The personal appearance (dressing) of the bank's employees is attractive	3.50	1.146	3.01	1.253
The employees of the bank have high customer handling practice	3.58	1.164	3.25	1.183
The communication of the bank's employees with customers is very good	3.49	1.149	3.17	1.185
Employees of the bank provide adequate information on the bank's services to customers.	3.42	1.021	3.00	1.192
Employees of the bank have make customers to have positive attitude in the bank	3.50	.978	3.25	1.190
The employees of the bank have full knowledge on all the bank's products	3.40	1.170	3.10	1.127
Employees of the bank create strong awareness about the bank's products to customers	3.21	1.080	3.06	1.185
Overall level of employees perception about personal selling	**3.47**	**.967**	**3.16**	**.938**

Source: *Computation from survey data (2018)*

4.6.5 CBE employees' and Customer's Perception on Public Relations and Publicity

This section of the questionnaire tested the attitude and views about Public relations and publicity levels among CBE employees and customers. A series of ten statements were presented to respondents and respondents were asked to rate their level of agreement with each statement. Table 4.8 indicates the mean and standard deviation for each item.

Table 4.8: Descriptive Statistics for Attitude of CBE Employees and Customers about Public Relations and Publicity

Public Relations and Publicity	Employees		Customers	
	Mean	Std. Dev	Mean	Std. Dev
The bank's Sponsorship practice is very good	3.40	1.134	3.43	1.127
The bank participates in Charitable activities	3.32	1.124	3.32	1.129
The bank participates on Public Service Activities strongly	3.33	1.132	3.38	1.138
The documentary films released by the bank are strong in creating awareness	3.32	1.064	3.35	1.076
The Press Conferences of the bank have big contribution in creating awareness to customers	3.10	1.018	3.36	1.008
The various exhibitions which the Bank prepares have great contribution in promoting its products	3.20	1.156	3.47	.947
The bank has Adequate marketing campaigns regarding to its services	3.34	1.119	3.62	5.228
The bank's identity Medias (like logo, business cards, dress codes etc) have attract attention strongly	3.46	.949	3.24	1.117
The bank publishes newsletters and magazines extensively to reach and influence target markets	3.14	1.017	3.15	1.001
The bank publishes Annual reports, brochures and articles to reach and influence target markets	3.37	.994	3.12	1.012
Overall level of employees perception about public relations and publicity	**3.30**	**.842**	**3.34**	**.984**

Source*: Computation from survey data (2018)*

4.6.5.1 CBE employees' perception on Public Relations and Publicity

The means for the public relations and publicity items construct ranged between 3.12 and 3.46(1= strongly disagree and 5= strongly agree) and the standard deviation for the personal selling perception construct ranged between 0.994 and 1.156 which show some level of variance. The statement which respondents agree with most was "The bank's identity Medias (like logo, business cards, dress codes etc)" (mean=3.46 and standard deviation 0.949). The statement indicating the least level of agreement was "The Press Conferences of the bank have big contribution in creating awareness to customers" (mean= 3.10 and standard deviation= 1.018). The overall mean for the perception of public relations and publicity is 3.30.This implies that, according to employees' perception the effect of public relations and publicity on CBE profitability is towards medium level. This is as per the standard of (Alhakimi and Alhariry, 2014), which is mentioned in detailed in the descriptive statistics section above.

4.6.5.2 CBE customers' perception on Public Relations and Publicity

The means for the public relations and publicity items construct ranged between 3.12 and 3.62(1= strongly disagree and 5= strongly agree) and the standard deviation for the personal selling perception construct ranged between 0.947 and 5.228 which show high level of variance. The statement which respondents agree with most was "The bank has Adequate marketing campaigns regarding to its services" (mean=3.62 and standard deviation 5.228). The statement indicating the least level of agreement was "The bank publishes Annual reports, brochures and articles to reach and influence target markets" (mean= 3.12 and standard deviation= 1.012). The overall mean for the perception of public relations and publicity is 3.34.This implies that, according to customers' perception the effect of public relations and publicity on CBE profitability is towards medium level. This is as per the standard of (Alhakimi and Alhariry, 2014), which is mentioned in detailed in the descriptive statistics section above.

4.6.6 CBE Employees' and Customers' Perception on Direct Marketing

This section of the questionnaire tested the attitude and views about direct marketing levels among CBE employees and customers. A series of five statements were presented to respondents and respondents were asked to rate their level of agreement with each statement. Table 4.9 indicates the mean and standard deviation for each item.

Table 4.9: Descriptive Statistics for Attitude of CBE Employees and Customers about Direct Marketing

Direct Marketing	**Employees**		**Customers**	
	Mean	**Std. Dev**	**Mean**	**Std. Dev**
The bank uses SMS (mobile marketing) to contact customers directly	3.2892	1.13744	2.56	1.434
The bank uses email to contact customers directly.	3.2169	1.17423	2.40	1.326
The bank uses call center to contact customers directly.	3.2470	1.15524	2.86	1.595
The bank uses website to promote its services directly to customers.	3.0211	1.11952	2.28	1.170
The bank's advertisements displayed in the website are appealing	2.8434	1.20655	2.45	1.242
Overall level of employees perception about direct marketing	**3.1235**	**.94657**	**2.51**	**.896**

***Source**: Computation from survey data (2018)*

4.6.6.1 CBE Employees' Perception on Direct Marketing

The means for the direct marketing items construct ranged between 3.02 and 3.28(1= strongly disagree and 5= strongly agree) and the standard deviation for the direct marketing perception construct ranged between 1.119 and 1.206 which show some level of variance. The statement which respondents agree with most was "The bank uses SMS (mobile marketing) to contact customers directly" (mean=3.28 and standard deviation 1.137). The statement indicating the least level of agreement was "The bank uses website to promote its services directly to customers" (mean= 2.84 and standard deviation= 1.206). The overall mean for the perception of direct marketing is 3.12.This implies that, according to employees' perception the effect of direct marketing on CBE profitability is towards medium level. This is as per the standard of (Alhakimi and Alhariry, 2014), which is mentioned in detailed in the descriptive statistics section above.

4.6.6.2 CBE customers' Perception on Direct Marketing

The means for the direct marketing items construct ranged between 2.28and 2.86(1= strongly disagree and 5= strongly agree) and the standard deviation for the direct marketing perception construct ranged between 1.170 and 1.434 which show some level of variance. The statement which respondents agree with most was "The bank uses call center to contact customers directly" (mean=2.86 and standard deviation 1.595). The statement indicating the least level of agreement was "The bank uses website to promote its services directly to customers" (mean= 2.28 and standard deviation= 1.170). The overall mean for the perception of direct marketing is 2.51.This implies that, according to customers' perception the effect of direct marketing on CBE profitability is towards medium level. This is as per the standard of (Alhakimi and Alhariry, 2014), which is mentioned in detailed in the descriptive statistics section above.

4.6.7 Comparison of CBE Employees' and Customers' Perception on Promotion Mix Constructs

Table 4.10 below show the overall means of all items in the promotion mix constructs for CBE employees' and customers level of perception. According to the findings of the means personal selling represented the highest overall mean score (mean= 3.47),meaning that CBE employees have a tendency towards agree with statements relating the personal selling construct (1= strongly disagree and 5= strongly agree) compare to other constructs. Sales promotion followed with overall mean score of 3.32. This was followed by public relations and publicity (mean= 3.30). The lowest level of agreement was with the direct marketing and advertisement construct (mean= 3.12 and 2.98) respectively.

On the other hand, regarding customer perception, the findings of the means sales promotion represented the highest overall mean score (mean= 3.39),meaning that CBE employees have a tendency towards agree with statements relating the sales promotion construct (1= strongly disagree and 5= strongly agree) compare to other constructs. Public Relations and publicity followed with overall mean score of 3.34. This was followed by Personal Selling (mean= 3.16). The lowest level of agreement was with the Advertisement and Direct Marketing construct (mean= 2.99 and 2.51) respectively.

Table 4.10: Overall Mean and Standard Deviation Scores for the Promotion Mix

Construct	Employees		Customers	
	Mean Score	Standard Deviation	Mean Score	Standard Deviation
Advertisement	2.98	.920	2.99	.938
Sales promotion	3.32	.970	3.39	1.008
Personal Selling	3.47	.967	3.16	.938
Public Relations and publicity	3.30	.842	3.34	.984
Direct Marketing	3.12	.946	2.51	.896

***Source**: Computation from survey data (2018)*

Table 4.11 below show the overall average means of all items in the promotion mix constructs for CBE employees' and customers level of perception. According to the findings of the average sales promotion represented the highest overall average mean score (mean= 3.35), meaning that both CBE employees and customers have a tendency towards agree with statements relating the sales promotion construct (1= strongly disagree and 5= strongly agree) compare to other constructs. Public relations and publicity followed with overall mean score of 3.32. This was followed by personal selling (mean= 3.31). The lowest level of agreements were advertisement and direct marketing construct (mean= 2.99 and 2.82) respectively.

Table 4.11 Overall Averages Mean for Both Respondent Groups (Employee and Customers)

Construct	Mean		
	Employees	Customers	Average Mean of both groups
Advertisement	2.98	2.99	2.99
Sales promotion	3.32	3.39	3.35
Personal Selling	3.47	3.16	3.31
Public Relations and publicity	3.30	3.34	3.32
Direct Marketing	3.12	2.51	2.82

***Source**: Computation from survey data (2018)*

4.6.8 CBE Employees' Perception on Profit

This section of the questionnaire tested the attitude and views about profit levels among CBE employees. A series of six statements were presented to respondents and respondents were asked to rate their level of agreement with each statement. Table 4.12 indicates the mean and standard deviation for each item.

Table 4.12: Descriptive Statistics for Attitude of CBE Employees about Profit

Profit	**Employees**	
	Mean	**Std. Dev.**
The bank's Return on Asset (ROA) comparing to other commercial banks:-	2.98	1.249
The increasing rate of the bank's ROA from time to time is:-	2.70	1.247
The bank's Return on Equity (ROE) comparing to other commercial banks:-	3.20	1.199
The increasing rate of the bank's ROE from time to time is:-	3.09	1.181
The bank's Net Banking Income comparing to other commercial banks:-	3.67	1.122
The increasing rate of the bank's Net Banking Income from time to time is:-	3.51	1.156
Overall level of employees perception about profit	**3.19**	**.772**

***Source**: Computation from survey data (2018)*

The means for the profit items construct ranged between 2.70 and 3.67(1= very low and 5= very high) and the standard deviation for the profit perception construct ranged between 1.122 and 1.249 which show some level of variance. The statement which respondents agree with most was "The bank's Net Banking Income comparing to other commercial banks" (mean=3.67 and standard deviation 1.122). The statement indicating the least level of agreement was "The increasing rate of the bank's ROA from time to time is:-" (mean= 2.70 and standard deviation= 1.247). The overall mean for the perception of direct marketing is 3.19, indicating that the majority of respondents towards medium level of agreement with the statements specified in the study.

4.7 Correlation Analysis: Relationship between the Study Variables

In this study Pearson's correlation coefficient was used to determine whether there is significant relationship between advertisement, sales promotion, personal selling, public relations and publicity, direct marketing and profit.

The following section presents the results of correlation on the relationship between independent variables and dependent variable. Table 4.13 below indicates that the correlation coefficients for the relationships between profit and its independent variables are linear and positive ranging from weak to moderate correlation coefficients.

As it is clearly indicated in Table 4.13below employees column, a weak to moderate positive relationship was found between public relations and profit($r = .274$, $p < 0.01$), Advertisement and profit and ($r =.313$, $p < .01$), Direct Marketing and profit ($r = .360$, $p < .01$), personal selling and profit ($r = .535$, $p < 0.01$), and Sales Promotion ($r = .547$, $p < 0.01$), which are statistically significant at 99% confidence level.

On the other hand, As it is clearly indicated in Table 4.13 below customers column weak to moderate positive relationship was found between public relations and profit($r = .280$, $p < 0.01$), Advertisement and profit and ($r =.340$, $p < .01$), Direct Marketing and profit ($r = .394$, $p < .01$), personal selling and profit ($r = .403$, $p < 0.01$), and Sales Promotion ($r = .533$, $p < 0.01$), which are statistically significant at 99% confidence level. And please see the detailed correlation matrixes *in appendices XII and XII*

Table 4.13 The Relationship between Independent Variables and Profit

Independent Variables	Employees		Customers	
		Profit		Profit
Advertisement	Pearson Correlation	.313**	Pearson Correlation	.340**
	Sig. (2-tailed)	.000	Sig. (2-tailed)	.000
	N	332	N	350
Sales Promotion	Pearson Correlation	.547**	Pearson Correlation	.533**
	Sig. (2-tailed)	.000	Sig. (2-tailed)	.000
	N	332	N	350
Personal Selling	Pearson Correlation	.535**	Pearson Correlation	.403**
	Sig. (2-tailed)	.000	Sig. (2-tailed)	.000
	N	332	N	350
Public Relations and Publicity	Pearson Correlation	.274**	Pearson Correlation	.280**
	Sig. (2-tailed)	.000	Sig. (2-tailed)	.000
	N	332	N	350
Direct Marketing	Pearson Correlation	.360**	Pearson Correlation	.394**
	Sig. (2-tailed)	.000	Sig. (2-tailed)	.000
	N	332	N	350
Profit	Pearson Correlation	1	Pearson Correlation	1
	Sig. (2-tailed)		Sig. (2-tailed)	
	N	332	N	

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

***Source:** Computation from survey data (2018)*

4.8 Assumptions of Regressions analysis

Multiple Regressions is a statistical technique that allows us to predict someone's score on one variable on the basis of their scores on several other variables. Then, the following assumptions test should be done (Pallant, 2010).

4.8.1 Sample Size

Different authors tend to give different guidelines concerning the number of cases required for multiple regressions. (Tabachnick & Fidell, 2001)give a formula for calculating sample size requirements, taking into account the number of independent variables to use: $N > 50 + 8m$ (where m = number of independent variables). In this study five independent variables had existed and cases were 332 and 350 for employees and customers respectively. Therefore, the study satisfied sample size assumption.

4.8.2 Linear Relationship

Profit is assumed to be linearly related with promotion mixes; meaning the dependent variable profit is assumed to be impacted with changes in promotion mix (the independent variables). The relationship between the two variables should be linear. This means that at a scatter plot of scores should be a straight line (roughly), not a curve (Pallant, 2010).The scatter plots of this study show that there is almost linear relationship between the variables. The plots do not show any evidence of non-linearity; therefore, the assumption of linearity is satisfied. *Please see appendix VII and X scatter plot diagram of employee and customer respondents respectively.*

4.8.3 Multicollinearity Test Using VIF and Tolerance

Multicollinearity is used to describe correlation among independent variables. If there is high correlation between two or more predictor variables, may cause problems when trying to draw inferences about the relative contribution of each predictor variable to the success of the model (Pallant, 2010).

Multicollinearity in this study was tested using Variance Inflation Factor (VIF) value and tolerance value. If tolerance value closed to 1 and VIF value is around 1 and not more than 10, it can be concluded that there is not multicollinearity between independent variable in the regression model (Pallant, 2010). Below Table 4.14 shows there is no multicollinearty exist.

Table 4.14 Multicollinearity of Promotion Mix

	Collinearity Statistics			
	Employees		Customers	
Model	Tolerance	VIF	Tolerance	VIF
Advertisement	.950	1.053	.583	1.715
Sales Promotion	.366	2.732	.861	1.162
Personal Selling	.320	3.121	.517	1.935
Public Relations and Publicity	.908	1.101	.905	1.105
Direct Marketing	.720	1.389	.767	1.303

Source: *Computation from survey data (2018)*

4.8.4 Homoscedasticity

Homoscedasticity is the variability in scores for variables of independent should be similar at all values of variable dependent. In order to ensure the fulfillment of this relationship between independent variable and dependent variable, the variance of dependent variable values must be equal at each value of independent variables (Hair, 2010). For a basic analysis it is worth plotting ZRESID (*Y*-axis) against ZPRED (*X*-axis), because this plot is useful to determine whether the assumptions of random errors and homoscedasticity have been met. Decision rule: If there were certain variant, such as organize shaping dot (waves, fuse and narrow), therefore no homoscedasticity happened. If there were not certain variant, and dots spreads above and below 0 numbers in axis Y, then homoscedasticity did happened (Pallant, 2005). The scatter plots show that there is homoscedasticity. Thus the assumption is reasonably supported in this study. *Please see appendix VII and XI the scatter plot diagram of employee and customer respondents respectively.*

4.8.5 Normality Test

The study used two methods of assessing normality; graphically (Normal Probability Plot) and numerically (Skewness and Kurtosis). In the Normal Probability Plot it will be hoped that points will lie in a reasonably straight diagonal line from bottom left to top right. This would suggest no major deviations from normality. *Appendix IX and VI depicted that the scores are normally distributed.*

Numerically, the evaluation of normality in the data analysis began with exploring the skewness and kurtosis values of the elements of promotion mix and profit.Skewness and kurtosis values greater than 1 and less than -1 are considered being abnormally distributed (Gamst, Meyers, & Guarino, 2008). Table 4.15 below summarizes the skewness and kurtosis values of the constructs.

The skewness and kurtosis values for the promotion mix elements, namely advertisement, sales promotion, personal selling, public relations and publicity, and direct marketing were all below 1 and greater than -1 indicating that the data is normally distributed for these elements. The profit constructs also showed skewness and kurtosis value of less than 1, and is therefore normally distributed.

Table 4.15 Summary of Skewness and Kurtosis Statistic

Constructs	**Employees**		***Customers***	
	Skewness statistic	**Kurtosis statistic**	**Skewness statistic**	**Kurtosis statistic**
Advertisement	-.129	-.581	-.140	-.579
Sales Promotion	-.557	-.486	-.522	-.426
Personal Selling	-.798	-.118	-.340	-.717
Public Relations and Publicity	-.173	-.212	.594	.514
Direct Marketing	-.178	-.733	.319	-.056
Profit	-.031	-.423	-.023	-.424

Source: Computation from survey data (2018)

4.8.6 Auto Correlation

Regression analysis is based on uncorrelated error/residual terms for any two or more observation (Kothari R. , 2004). This assumption is tested for each regression procedure with the Durbin-Watson test, which test for correlation between variables residuals. The test statistic can vary between 0 and 4 with a value of 2 meaning that the residuals are uncorrelated (Field, 2009). A value greater than 2 indicates a negative correlation between adjacent residuals, whereas a value below 2 indicates a positive correlation. As a general rule, the residuals are independent (not correlated) if the Durbin-Watson statistic is approximately 2, and an acceptable range is 1.50 - 2.50 (Muluadam, 2015). In this study the Durbin-waston value was 1.617 and 1.525 respectively for employee and customer respondents, which is very close to 2, therefore it can be confirmed that the assumption of independent error has almost certainly been met.

4.9 Regression analysis and hypothesis Testing

For the purposes of determining the extent to which the explanatory variables (promotion mix elements such as advertisement, sales promotion, personal selling, public relations and publicity, and direct marketing) explain the variance in the explained variable (profit), regression analysis was employed after the study met the regression assumptions. The significance level of0.05 with 95% confidence interval was used.

In the foregoing correlation analysis, the association between the variables, which is profit and promotion mix elements, has been estimated. In effect, five variables showed statistically significant positive correlation with profit. It is of interest in this section to further detect the combined effect of these independent variables on the dependent variable using multiple regression analysis.

Table 4.16 ANOVA- The Results of Multiple Regression Analysis for CBE Employees

ANOVA[a]

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	84.071	5	16.814	48.359	.000[b]
Residual	113.350	326	.348		
Total	197.421	331			

a. Dependent Variable: profit

b. Predictors: (Constant), direct marketing, advertising, public relations and publicity, sales promotion, personal selling

Table 4.17 ANOVA- The Results of Multiple Regression Analysis for Customers

ANOVA[a]

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	91.678	5	18.336	53.120	.000[b]
Residual	118.740	344	.345		
Total	210.418	349			

a. Dependent Variable: Profit

b. Predictors: (Constant), Direct Marketing, Advertising, Public Relations, Sales promotion, Personal selling

The ANOVA tables tell us whether the overall model results in a significantly good degree of the prediction of the outcome variable (Field, 2009). The proposed model was adequate as the Sig. value (0.000) is less than 0.05. This indicates that the overall model was statistically significant relationship between promotion mix and profit.

From the model summary in below Table 4.18, R-value is 0.653, indicates correlation of the five independent variables (promotion mix elements) with the dependent variable (profit) and the model exhibited an adjusted R square value of 0.417, it indicated that 41.7% profit in CBE was explained by the variation of the five promotion mix dimensions and 58.3 % was due to other factors/extraneous variables.

The Sig. values of advertisement, sales promotion, personal selling, public relations and publicity are .000.and 0.05.This test shows that the coefficients of the four predictors are statistically significant at less than 5% level of significance. Thus, all four variables were found to be significant predictors of profit of CBE. But the sig.value of direct marketing is 0.119 which is not statistically significant and not predictor of profit.

The standardized beta coefficient column shows the contribution that an individual variable makes to the model. The beta is the amount that the dependent variable increases or decreases when the independent variable increases by one standard deviation. Thus, the largest influence on the profit is from the sales promotion dimension (.367), and the next advertisement (0.198) and public relations and publicity (0.197) and personal selling (.152) respectively. On the other hand direct marketing with the beta value of 0.077 is the poorest predictor of profit when it is compared with the other explanatory variables under study. With the same explanation of the above paragraphs, all the five variables of the customer respondents result were found to be significant predictors of profit of CBE at p value <0.05.please see Table 4.19 below.

Table 4.18: Regress Profit (as Dependent Variable) on the Selected Variables (as Independent Variables) using Multiple Regressions for CBE Employees

Model Summary	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**		**Sig.**
	.653	.426	.417	.58966		.000
coefficient	**Model**	**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
	Variables	**B**	**Std. Error**	**Beta**		
	(Constant)	.514	.189		2.721	.007
	Advertising	.166	.036	.198	4.595	.000
	Sales Promotion	.292	.055	.367	5.296	.000
	Personal Selling	.121	.059	.152	2.046	.042
	Public Relations and publicity	.181	.040	.197	4.474	.000
	Direct Marketing	.063	.040	.077	1.562	.119

a. Dependent Variable: Profit
b. Predictors: (Constant), Direct marketing, Advertising, Public Relations and Publicity, Sales Promotion, and Personal Selling
Source: Computation from survey data (2018)

Table 4.19 Regress Profit (as Dependent Variable) on the Selected Variables (as Independent Variables) using Multiple Regressions for CBE Customers

Model Summary	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**		**Sig.**
	.660[a]	.436	.427	.58752		.000
coefficient	**Model**	**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	
	Variables	**B**	**Std. Error**	**Beta**		**Sig.**
	(Constant)	.571	.173		3.298	.001
	Advertising	.123	.044	.149	2.811	.005
	Sales Promotion	.334	.034	.433	9.930	.000
	Personal Selling	.112	.047	.135	2.400	.017
	Public Relations and publicity	.136	.034	.172	4.047	.000
	Direct Marketing	.107	.038	.131	2.826	.005

Coefficients

Based on the table 4.18 and 4.19, show the unstandardized beta coefficient, which tell us the unique contribution of each factor to the model. A high beta value and a small p value (<0.05) indicate the predictor variable has made a significance statistical contribution to the model. On the other hand, a small beta value and a high p value (p >0.05) indicate the predictor variable has little or no significant contribution to the model (Ggorge et al., 2003).

Table 4.18, (employee respondents)indicates that advertising, sales promotion, personal selling, and public relations and publicity had significant and positive effect on profit at 95% confidence level, since their p-values (0.000 for advertising, sales promotion and public relations, and 0. .042 for personal selling)less than the significance level 0.05. But direct marketing had no any significant influence for the profit since their p-value 0.119 greater than the significance level 0.05. The significant and insignificance effect of promotion mix strategies on profitability (advertising, personal selling, sales promotion, public relations, and direct marketing) have been included for the establishment of the function

The objective of the regression in this study is to find such an equation that could be used to find the impact of predictors on dependent variable. The specified regression equation takes the following form:

$Y = \alpha 1 + \beta 1X1 + \beta 2X2 + \beta 3\ X3 + \beta 4X4 + e$

Where:

Y = Profit

X1= Advertisement

X2= Sales Promotion

X3= Personal Selling

X4= Public Relations and Publicity

X5= Direct Marketing

So equation comes as:

Profit= .514***+0***.198***X1+0***.367***X2+0***.152***X3 +0***.197***X4+0***.077***X5***

The hypothesis test results based on standardized coefficient beta and P-value to test whether the hypothesis to reject or not reject. As shown from above Table 4.18 advertisement of CBE, P-value is significant ($P< 0.05$) and the beta value is positive (beta= .198). Therefore, the result supported the initial hypothesis and infers that advertisement has a significant and positive effect on profit of CBE. With regards to sales promotion of CBE, P-value is significant ($P< 0.05$) and the beta value is positive (beta= .367). Therefore, the result supported the initial hypothesis and infers that sales promotion has a significant and positive effect on profit of CBE.

The same is true for personal selling of CBE, P-value is significant ($P< 0.05$) and the beta value is positive (beta= .152).Therefore, the result supported the initial hypothesis and infers that personal selling has a significant and positive effect on profit of CBE. Regarding to public relations and publicity of CBE, P-value is significant ($P< 0.05$) and the beta value is positive (beta= .197). Therefore, the result supported the initial hypothesis and infers that public relations and publicity has a significant and positive effect on profit of CBE.

Table 4.19, (customers respondents)also indicates that advertising, sales promotion, personal selling, and public relations and publicity had significant and positive effect on profit at 95%

confidence level, since their p-values (0.000 for sales promotion and public relations, 0.005 for advertizing and direct marketing and 0.017 for personal selling)less than the significance level 0.05. The significant and insignificance effect of promotion mix strategies on profitability (advertising, personal selling, sales promotion, public relations, and direct marketing) have been included for the establishment of the function. The objective of the regression in this study is to find such an equation that could be used to find the impact of predictors on dependent variable. The specified regression equation takes the following form:

$Y = \alpha 1 + \beta 1X1 + \beta 2X2 + \beta 3\ X3 + \beta 4X4 + e$

Where:

Y = Profit

X1= Advertisement

X2= Sales Promotion

X3= Personal Selling

X4= Public Relations and Publicity

X5= Direct Marketing

Equation for customer respondents is as follows:-

Profit= .571***+0***.149***X1+0***.433***X2+0***.135***X3 +0***.172***X4+0***.131***X5***

The hypothesis test results based on standardized coefficient beta and P-value to test whether the hypothesis to reject or not reject. As shown from above Table 4.19 advertisement of CBE, P-value is significant (P< 0.05) and the beta value is positive (beta= .149). Therefore, the result supported the initial hypothesis and infers that advertisement has a significant and positive effect on profit of CBE. With regards to sales promotion of CBE, P-value is significant (P< 0.05) and the beta value is positive (beta= .433). Therefore, the result supported the initial hypothesis and infers that sales promotion has a significant and positive effect on profit of CBE.

The same is true for personal selling of CBE, P-value is significant (P< 0.05) and the beta value is positive (beta= .135).Therefore, the result supported the initial hypothesis and infers that personal selling has a significant and positive effect on profit of CBE. Regarding to public relations and publicity of CBE, P-value is significant (P< 0.05) and the beta value is positive (beta=0 .172). Therefore, the result supported the initial hypothesis and infers that public relations and publicity has a significant and positive effect on profit of CBE.

The same is true for direct marketing of CBE, P-value is significant (P< 0.05) and the beta value is positive (beta= .131).Therefore, the result supported the initial hypothesis and infers that direct marketing has a significant and positive effect on profit of CBE.

Table 4.20 Promotion Expenses vs. profit of CBE from 2005 till 2016 in Millions

No.	Fiscal Year	Promotion Expense	Profit*
1	2005	3	579
2	2006	3	793
3	2007	4	867
4	2008	5	1,363
5	2009	4	1,924
6	2010	9	1,969
7	2011	13	2,863
8	2012	27	5,433
9	2013	49	5,819
10	2014	72	6,685
11	2015	142	8,747
12	2016	121	9,348

******Net profit after tax***

Source: CBE Annual reports from the year of 2005 to 2016

The researcher has gone through audited financial reports of the bank reported for the year 2005 till 2016 and observed that:

On the financial statement, all promotion expenses are squeezed and debited to an account called ‘Advertising and Publicity’. This account is used to debit for expense of every promotion mix elements. However, this brings about difficulty when there is a need to assess each promotion element in terms of its expenditure.

The account tile only consists of two promotion mix elements and the others are not incorporated on the account title. This definitely creates confusion when some stranger is assigned as employee of the bank or else observes the statement.

The above table shows when promotion expenses (Advertising and Publicity) have increased the profit of the bank was increase. The promotion verses profit trend is clearly stated by the following line chart.

Figure 4.1 CBE Promotion Expenses vs. Profit Trends from 2005 to 2016 in Millions

Source: CBE Annual reports from the year of 2005 to 2016

4.10 Discussions of the Results

As shown in table 4.18 the result of regression from employee respondents is as follows: Standardized Coefficients (beta) for advertising, sales promotion, personal selling, public relations and publicity, and direct marketing is positive 0 .198,0.367,0.152,0.197 and 0..077 respectively at $p < 0.05$.On the other hand, as shown in table 4.19 results from customer respondents: Standardized Coefficients (beta) for advertising, sales promotion, personal selling, public relations and publicity, and direct marketing is positive 0.149,0.433,0.135,0.172 and 0.131 respectively at $p<0.05$.

The average Standardized Coefficients (beta) results from employee and customer respondents for advertising, sales promotion, personal selling, public relations and publicity, and direct marketing is positive 0.174,0.400, 0.144,0.185 and 0.104 respectively.

The above beta average results shows that, there is statistically positive and significant effect of advertising as a tool of promotional strategy on profitability ($P < 0.05$ and beta=0.174). This result is in accordance with (Andras and Srinivasan, 2003; Hanssens, 2004;Rahman and Akhtar, 2016).

On the interview, the following advertising related question has been forwarded to the Marketing officers of business development of CBE. “What is the effect of advertising on the profit of CBE?”They had answered that, CBE advertises its products through television, radio, newspapers, magazines, billboards booklets and leaflets etc.aggressivelly.Even though, the profit of the bank comes from different variables, and advertising also has its own positive effect or contribution on the profitability of CBE. This is also supported by the financial data as shown in the above graph 4.1.as the expenditure of advertisement increased also the profit of the bank was increased from time to time. Based on the standardized coefficient result, advertisement ranked third among the independent variables.

The most and first ranked important factor that can affect CBE profitability is sales promotion, as the above statistics imply, sales promotion has a positive and significant effect on profitability of CBE. This conclusion is in accordance with (Afande and Maina, 2015; Eric, D., 2012; Abdulkarim, 2016)

On the interview, the following advertising related question has been forwarded to the Marketing officers of business development of CBE. “What is the effect of sales promotion on the profit of

CBE?"They had answered that, CBE used sales promotion tools. The bank gives: Gifts for its customers; additional interest to women, teen youth and youth saving account holders for encouraging customers to deposit more money; discount given by CBE's business partners to women saving account holders; financial incentive to top educational saving depositors; Certificate award to big customers etc. Since the bank started aggressive sales promotion activities the number of customers, deposits and profit of the bank has been increased.

According to Brassington and Pettit (2000) sales promotion is tactical marketing techniques with mostly short- term incentives, which are to add value to the product or service, in order to achieve specific sales or marketing objectives.Meidan (1996) further states that sales promotion within financial services appears to be most effectively used in combination with advertising. The primary objectives with sales promotion within financial services are to attract new customers; to increase the level of deposit accounts, thereby increasing the banks share of savings; to increase market share in selected market segments; and to lower the cost of acquiring new customers by seeking to avoid direct price competition with other financial institutions.

Regard to public relations and publicity, it is ranked as third position. The above result shows that, Public relations and publicity has a positive and significant effect on profitability of CBE. The finding is consistent with results obtained by AUD. (2015) and Khanfar (2016).

During the interview, the following public relations and publicity related question has been forwarded to the Marketing officers of business development of CBE. "What is the effect of public relations and publicity on the profit of CBE?"They had answered that, CBE has undertaken different public relations and publicity activities: participates in Charitable activities, participates on Public Service Activities, releasing documentary films about the bank, Press Conferences, various exhibitions, marketing campaigns, using identity Medias (like logo, business cards, dress codes etc.), using (forums, conferences, and programs organized by development partners: like schools, religious organs,woredas,sub cities etc.),publishes Annual reports and brochures etc. Especially this year because of the bank's 75thanniversaryyear, the PR and publicity activities have increased. So, the marketing officers, concluded that, public relations and publicity has its own positive and significant effect on the profitability of the bank.

The above promotion expenses verses profitability graph supports the marketing officers' response.

According to Brassington and Pettit (2000) the essence of public relations (PR) is to look after the nature and quality of the relationship between the organization and its different publics, and to create a mutual understanding. Public relations cover a range of activities, for example the creation and maintenance of corporate identity and image; charitable involvement, such as sponsorship, and community initiatives; media relation for the spreading of good news as well as for crisis management, such as damage limitation. Moreover, an organization can attend trade exhibitions to create stronger relationships with key suppliers and customers as well as enhancing the organizations presence and reputation within the market.

Traditionally, publicity and public relations have been considered more supportive than primary to the marketing and promotional process. However, many firms have begun making PR an integral part of their predetermined marketing and promotional strategies. PR firms are increasingly touting public relations as a communications tool that can take over many of the functions of conventional advertising and marketing. (George E.Belch& Michael A.Belch., 2003)

Based on the average results of employee and customers response with beta value 0.185 at $p < 0.05$, personal selling has ranked as fourth. It has positive and significant effect on CBE profit. This result aligns with earlier finding obtained by AUD (2015); Grankvist, Kollberg, Peterson, (2004); and Ananda and Murugaiah (2003)

On the interview, the following personal selling related question has been forwarded to the Marketing officers of business development of CBE. "What is the effect of personal selling on the profit of CBE?"Regarding personal selling, the response of the officers is summarized as follows: the personal selling skills, customer handling practices,charecters,knowledge about the banks products, communication skills etc of CBE employees has increasing from time to time through training. And they said that, personal selling has its own contribution to the profitability of CBE.

Meidan (1996) claims that it is up to the sales force to enhance the bank's reputation by looking after its customers. According to Christine ,T.,E.and Nigel, W.(2007).One of the major benefits of personal selling as a form of communication is that it allows immediate feedback from the consumer to the organization (or its representative).Other forms of communication are basically one-way, but personal selling is two-way. The customer can raise queries with the salesperson, and those queries or concerns can be dealt with immediately. This means that the information communicated can be very accurately tailored to the needs of particular individuals. Furthermore, because personal selling allows queries and responses, it is often thought to be very effective towards the end of the AIDA process – in encouraging action (purchase).Thus, although personal selling can be a valuable and effective form of promotion, it is also very expensive. It therefore tends to be used more heavily for relatively high-value products and when customers are close to making a purchase. As well as being expensive, it is also a form of promotion that can be difficult to manage.

The result of beta value of direct marketing has the last and weakest effect contribution on profitability of CBE than the four promotion mixes (advertising, sales promotion, public relations and personal selling. This result is in accordance with (Afande and Maina ,2015;Familmaleki,M.,Aghighi,A.,&KambizHamidi,K.,2015).According to the employees response p-value result is greater than five percent ($p>0.05$).Generally speaking, The result of interview shows that, the bank is not effective in relation to direct marketing and its contribution to profit is insignificant or weak.

According to Kotler and Keller (2012) direct marketers can use a number of channels to reach individual prospects and customers: Direct mail, catalog marketing, telemarketing, interactive TV, kiosks, Web sites, and mobile devices. They often seek a measurable response, typically a customer order, through direct-order marketing. Direct marketing has been a fast-growing avenue for serving customers, partly in response to the high and increasing costs of reaching business markets through a sales force. Sales produced through traditional direct marketing channels (catalogs, direct mail, and telemarketing) have been growing rapidly. **Direct-mail** marketing means sending an offer, announcement, reminder, or other item to an individual consumer. On the other hand, **Telemarketing** is the use of the telephone and call centers to attract prospects, sell to existing customers, and provide service by taking orders and answering questions. It helps companies increase revenue, reduce selling costs, and improve customer satisfaction.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provides a summary, conclusions and recommendations of the research undertaken in the study. For clarity purpose the conclusions are based on the research objectives of the study. The general explanations of the findings were discussed and recommendations drawn from the conclusions of the research. Finally the study shows some limitation of the study and provides of directions for future researches.

5.2 Summary of the Major Findings

On the basis of the research results obtained through quantitative and qualitative data analyses, the following major findings are identified for further consideration. In this section, the finding from the two groups of respondents is presented in a summarized and informative manner. Both respondent groups were asked the effect of promotion mix strategies on profitability of CBE in a five point Likert scale where the extent of its application is derived from the questionnaire made on the five promotion mix dimensions therein. Accordingly, as it is depicted in table 4.11in the previous section the resultant sample statistics for both groups of respondents shows that the effect of promotion mix strategies on CBE`s profit is at the Medium level.

- Advertising: With regard to advertising mix, the perception of employee and customers shows that, it has medium level effect on profit with a mean value 2.98 and 2.99 respectively. The average mean value for both respondent groups is 2.99 and it is on the fourth rank of the promotion mix elements. the outcome of the multiple regression of both employee and customer respondent groups supports the hypothesis; $\beta = 0.198$, and $\beta = 0.149$ respectively at $P < 0.05$

- Sales promotion: the data shows that sales promotion has the highest mean value on average 3.35 and the mean value for each respondent group is 3.32 and 3.39 respectively of employees and customers. This result also shows that sales promotion has a medium level effect on profitability of CBE. And the outcome of the multiple regression of both employee and customer respondent groups supports the hypothesis; β =0.367,and β = 0.433, respectively at $P < 0.05$

- Personal Selling: With regard to effect of personal selling on profit, the perception of employee and customers shows that, it has medium level with a mean value 3.47 and 3.16 respectively. The average mean value for both respondent groups is 3.31 and it is on the third rank of the promotion mix elements. The outcome of the multiple regression of both employee and customer respondent groups supports the hypothesis; β =0.152, and β = 0.172, respectively at $P < 0.05$

- Public relations and publicity: the data shows that Public relations and publicity has the second highest rank mean value on average 3.32 .And the mean value for each employees and customers respondent group is 3.30 and 3.34 respectively. This result also shows that Public relations and publicity has a medium level effect on profitability of CBE. And the outcome of the multiple regression of both employee and customer respondent groups supports the hypothesis; β =0.197 and β= 0.135 respectively at $P < 0.05$

- Direct marketing: With regard to effect of direct marketing on profit, the perception of employee and customers shows that, it has medium level with a mean value 3.12 and 2.51 respectively. The average mean value for both respondent groups is 2.82.the average mean score result shows that, direct marketing has the least value and it is on the last rank of the promotion mix elements. The outcome of the multiple regression of employee respondent group is not support the hypothesis; β =0.077, at $P > 0.05$.But the outcome of the multiple regression of customer respondent group supports the hypothesis; β =0 .131, at $P < 0.05$
- The other finding is about the title of the account designated for expenses of promotion. Shortly, as shown in table 4.22 the description of the account does not express for what it is intended for.

5.3 Conclusions

This study aimed to determine the effect of Promotion mix strategies (advertizing, sales promotion, personal selling, public relations and publicity, and direct marketing) on the profitability of Commercial Bank of Ethiopia.

The empirical results show that promotion mixes have direct impact on profit. The result confirms the hypothesized relationships in the research model. In this regard, it can be concluded about how each mix of promotion influence profit.

Per the foregoing findings the following conclusions are drawn;

- One of the research findings that can be conclude from the statistics provided above is that advertising has positive and significant effect on profitability of CBE.
- The most important mix that has effect on CBE profitability is sales promotion
- According to the research findings, personal selling has a positive and significant effect on profitability of CBE.
- In regard to public relations and publicity, public relations and publicity has a positive and significant effect on profitability of CBE.
- Regarding direct marketing, direct marketing has the least level effect on the profitability of commercial bank of Ethiopia.
- Overall, the effect of promotion mix strategies on the profitability of commercial bank of Ethiopia is nearly at the average level as observed by its employees and customers. However, the average mean score of sales promotion, personal selling, public relations and publicity is perceived to be slightly above the average level by both respondent groups (employees and customers). Yet, there is no significant difference among the mean results of each respondent group.
- Hence, it is confident to conclude that, the effect of promotion mix strategies on the profitability of commercial bank of Ethiopia is at the average level
- The promotional expenses of the bank are not known separately. Rather they are called by one name “advertising and publicity”

5.4 Recommendations

Commercial bank of Ethiopia has a vision to become a world-class commercial bank by the year 2025.Therefore, based on the findings of the study, the following measures are recommended for it in order to exploit the benefits sought in adopting prime promotion mix strategies:

Nowadays, there is stiff competition on advertising practices among commercial banks in Ethiopia. Therefore, CBE should have proficient advertisement strategies especially on those advertising elements which have low results in this study.

With regards to the finding of sales promotion in this study, it is logical to recommend for CBE as follows: CBE should at all-time have to planned, organized, directed and controlled its sales promotion program in place as this will help it to make such promotional strategies effective and efficient. CBE should also train and retrained their sales personnel as how they should embark on their sales activities.

There is need for the CBE to recruit professional sales teams that will ensure that its target market are engaged and persuaded to use the company’s products thus increasing profit. Personal selling will help CBE to improve the customer base and deposit of the company's different products, to ensure the proper mix of products in the total sales volume, to increase the market share of the company, to increase the profits of the company, to reduce the overall selling expenses, to gain new accounts and improve business growth, to achieve the desired proportion of cash and credit sales, to provide pre-sale and after-sale services. There is need for CBE management to come up with strategies that will increase the morale of the sales team thus making them perform expectation thereby increasing profitability of the bank. Commercial bank of Ethiopia should endeavor to have a long and short term programs it would ensure the increase in Profit given that there is lot of completion in the financial sector. The selling concept holds that consumers and businesses, if left alone, will ordinarily not buy enough of the selling company’s products. The bank must, therefore, undertake an aggressive selling and promotion effort

In order to get more public trust and keeping its good will, CBE should give more attention to public relations and publicity rather than the previous practices.

Direct marketing today necessitates entering into and maintaining a relationship with a customer. Getting and keeping loyal customers is an essential part of an organization continuing in business when threatened by recession and will continue to be important when the economy recovers. There are many media and tools available to the marketer and these should be chosen with care so that the best results can be achieved.CBE should not forget the basics of direct marketing when instigating a relationship as customers are individual people or organizations with individual needs that need to be addressed.

Contemporary customers may be technology savvy but that does not necessarily mean that they wish to use technology to communicate with organizations. They may not wish to have any communication at all yet still remain loyal. As a bank, CBE has to form its strategies based on customer needs and collecting information on what those needs are is fundamental to profitability success.

Furthermore, CBE should remember that personalization is fundamental to relationships and direct marketing. It should use the information it has about customers to enhance a relationship. Failure to do so has negative outcomes. First, a competitor could open communications and steal customers who feel neglected by lack of relevant communication. Alternatively, customers may be alienated by irrelevant, impersonal messages and choose to retract communication permission. Therefore, CBE should pay more attention to the activities and means of direct marketing, since the study results showed a weakness in this promotion mix, in relation to the effect of CBE profit.

In order to know the most effective and ineffective promotion mix strategy tool the bank should segregate the promotion expenditure for each promotion mix separately. Rather than calling them as “advertising and publicity “expenditure.

CBE in its promotional strategy plan should identify which of the promotional tools the customers and employees responds to favorably and ensures resources are concentrated on advertising, sales promotion, personal selling, Public relations and publicity, and direct marketing to maximize returns on promotional strategy expenditures.

The bank and other stakeholders’ further study should investigate the effect of promotion mix strategies on profitability of CBE profoundly.

In adopting promotion mix strategies, CBE should also compare different company's promotion mix strategies and access the success and the failure of such strategies in the industry.

Finally, it is well known that, nowadays the main competition to be successful and profitable in this global world is through one of the marketing mix strategies, which is a promotion mix strategy. Therefore managers and policy makers in the bank should give outstanding attention to profound promotion strategies and practices.

5.5 Limitations and Directions for Future Researches

Despite the worthwhile findings from this study, there are limitations to the study. Because of these potential limitations, the findings should be tempered by their inherent context, which however, future research can address. This study was based on a single service industry (banking industry) with its own peculiar characteristics. It is not clear to what extent the substantive results of this study can be generalized to other industries. The second limitation concerned the promotional mix element strategy dimensions. Promotion mix has various elements; nevertheless the study was conducted on only few elements of each promotional dimension.

Given the promising results that were obtained, coupled with the inherent limitations to the study just discussed above, there are many potential avenues of further research that can be explored.

- Since this study only focuses on one element of the marketing mix, namely promotion, it would be of interest to conduct a study of the other three elements, i.e. price, place and product.
- Whereas the current study focused on financial institutions which is banking, future studies should focus on other sectors of the economy.
- Future studies will minimize promotional mix challenges experienced by the banking sector in Ethiopia hence competitive edge in the banking industry.
- The study also recommends that future studies can be done on other commercial banks. This would help in comparison purposes as the relationship between promotion mix strategies and profitability cannot be a one-size fits all, and might differ from one company and one market to the next. Further investigation is required of effect of

promotion strategies on customer loyal or repeat purchase. Future studies can also be done on market segmentation strategies of commercial bank of Ethiopia to determine what impact this could have on a company's marketing strategy.

- Further investigation could also be carried out by engaging the use of a different analytical tool as well as evaluating the actual expenditures on each promotional mix tools and profitability as well as market share and profit.

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APPENDIXES

APPENDIX-- I

Addis Ababa University

School of Commerce

Postgraduate Study in Marketing Management

Questionnaire to be filled by CBE employees

Dear Respondents,

This questionnaire is designed to produce academic study report entitled "Effect of Banks' Promotion strategies on profitability: A case study on Commercial Bank of Ethiopia". The purpose of this research is to acquire data in relation to Promotion strategies used by commercial Bank of Ethiopia. The study is purely for academic purpose and thus will not affect you in any way. Therefore, your genuine, frank and timely response is very important to the outcome of the study and you are kindly requested to complete all questions.

Instruction: Dear respondents,

1. No need of writing your name

2. Please encircles where alternative answers are available and put (**√**) mark where necessary

Thank you in advance for your utmost cooperation!

I. Socio Demographic Characteristics

This part of the questionnaire covers items related to background of the respondents.

1. Gender

Male Fe

2. Age

18-24 36-45

25-35Abov

3. Educational level/Qualification

Diploma

First Degree

Second Degree

PhD

Other, please specify ……………………..

4. Your Position in the bank……………………….

5. Work experience

1-5 years 16-20 years

6-10 years More than 20 years

11-15 years

Promotion Mix Strategy Related Questions

S/N	Dimensions	Scale of Measurement				
	I. Advertisement Related Questions	**1 Strongly Disagree**	**2 Disagree**	**3 Neutral**	**4 Agree**	**5 Strongly Agree**
1	The bank's advertisements through **radio** are strong in creating awareness					
2	The bank's advertisements through **Television** are strong in creating awareness					
3	The bank's advertisements through **newspapers** are strong in creating awareness					
4	The bank's advertisements through **Billboards** are strong in creating awareness					
5	The bank's advertisements through **Magazines** are strong in creating awareness					
6	The bank's advertisements through **Brochure** and **booklets** are strong in creating awareness					
7	The bank's advertisements through Posters and leaflets are strong in creating awareness					
8	The bank's advertisements are not exaggerated more than the services available					
9	The bank's advertisements have strong persuasion power					
10	The bank's TV advertisements have the power to stay in mind for long times					
11	The bank's Radio advertisements have the power to stay in mind for long times					
12	In general, the bank's advertisements are clear and attractive.					

	II. Sales Promotion Related Questions	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
1	The bank gives Gifts for its customers					
2	The additional interest given by the bank to women, teen youth and youth saving account holders is encouraging customers to deposit more money					
3	The discount given by CBE's business partners to women saving account holders is encouraging to saving culture.					
4	The financial incentive which gives to top educational saving depositors is very encouraging to saving culture of customers.					
5	The bank gives Certificate award to big customers					
6	The bank addresses about its organization facts to employees					
7	The bank gives adequate Fringe benefits to its employees					
8	The bank has different Motivational programs to its employees					
	III. Personal selling Related Questions					
1	The bank's employees have a very good selling technique skills to sell the bank's products (services)					
2	The personal appearance (dressing) of the bank's employees is attractive					
3	The employees of the bank have high customer handling practice					
4	The communication of the bank's employees with customers is very good					
5	Employees of the bank provide adequate information on the bank's services to customers.					
6	Employees of the bank have make customers to have positive attitude in the bank					
7	The employees of the bank have full knowledge on all the bank's products					
8	Employees of the bank create strong awareness about the bank's products to customers					

	IV. Public Relations and publicity Related Questions	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
1	The bank's Sponsorship practice is very good					
2	The bank participates in Charitable activities					
3	The bank participates on Public Service Activities strongly					
4	The documentary films released by the bank are strong in creating awareness					
5	The Press Conferences of the bank have big contribution in creating awareness to customers					
6	The various exhibitions which the Bank prepares have great contribution in promoting its products					
7	The bank has Adequate marketing campaigns regarding to its services					
8	The bank's identity Medias (like logo, business cards, dress codes etc) have attract attention strongly					
9	The bank publishes newsletters and magazines extensively to reach and influence target markets					
10	The bank publishes Annual reports, brochures and articles to reach and influence target markets					
	V. Direct Marketing Related Questions					
1	The bank uses SMS (mobile marketing) to contact customers directly					
2	The bank uses email to contact customers directly.					
3	The bank uses call center to contact customers directly.					
4	The bank uses website to promote its services directly to customers.					
5	The bank's advertisements displayed in the website are appealing					

	VI. Profit Related Question	1 Very Low	2 Low	3 Medium	4 High	5 Very High
1	The bank's Return on Asset (ROA) comparing to other commercial banks:-					
2	The increasing rate of the bank's ROA from time to time is:-					
3	The bank's Return on Equity (ROE) comparing to other commercial banks:-					
4	The increasing rate of the bank's ROE from time to time is:-					
5	The bank's Net Banking Income comparing to other commercial banks:-					
6	The increasing rate of the bank's Net Banking Income from time to time is:-					

APPENDIX-- II

Addis Ababa University

School of Commerce

Postgraduate Study in Marketing Management

Questionnaire to be filled by CBE customers

Dear Respondents,

This questionnaire is designed to produce academic study report entitled "Effect of Banks' Promotion strategies on profitability: A case study on Commercial Bank of Ethiopia". The purpose of this research is to acquire data in relation to Promotion strategies used by commercial Bank of Ethiopia. The study is purely for academic purpose, confidential and thus will not affect you in any way. Therefore, your genuine, frank and timely response is very important to the outcome of the study and you are kindly requested to complete all questions.

Instruction: Dear respondents,

1. No need of writing your name
2. Please encircles where alternative answers are available and put (√) mark where necessary

Thank you in advance for your utmost cooperation!

I. Socio- Demographic Characteristics

This part of the questionnaire covers items related to background of the respondents.

1. Gender

Male Fe

2. Age

18-24

25-35

36-45

Above 46

3. Educational level/Qualification

Diploma

First Degree

Second Degree

PhD

Other, please specify

4. For how many years have you been Customers of CBE?

1-5 years

16-20 years

6-10 years

More than 20 years

11-15 years

Promotion Mix Strategy Related Questions

S/N	Dimensions	Scale of Measurement				
	I. Advertising Related Questions	**1 Strongly Disagree**	**2 Disagree**	**3 Neutral**	**4 Agree**	**5 Strongly Agree**
1	The bank's advertisements through **radio** are strong in creating awareness					
2	The bank's advertisements through **Television** are strong in creating awareness					
3	The bank's advertisements through **newspapers** are strong in creating awareness					
4	The bank's advertisements through **Billboards** are strong in creating awareness					
5	The bank's advertisements through **Magazines** are strong in creating awareness					
6	The bank's advertisements through **Brochure** and **booklets** are strong in creating awareness					
7	The bank's advertisements through Posters and leaflets are strong in creating awareness					
8	The bank's advertisements are not exaggerate more than the services available					
9	The bank's advertisements have strong persuasion power					
10	The bank's TV advertisements have the power to stay in mind for long times					
11	The bank's Radio advertisements have the power to stay in mind for long times					
12	In general, the bank's advertisements are clear and attractive.					

	II. Sales Promotion Related Questions	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
1	The Prize Linked Savings Program of the bank encouraged my saving culture.					
2	The bank gives Gifts for its customers					
3	The additional interest given by the bank to women, teen youth and youth saving account holders is encouraging customers to deposit more money					
4	The discount given by CBE business partners to women saving account holders is encouraging to saving culture.					
	III. Personal Selling Related Questions					
1	The bank's employees have a very good selling technique skills to sell the bank's products (services)					
2	The personal appearance (dressing) of the bank's employees is attractive					
3	The bank's employees personal character is very good					
4	The employees of the bank have high customer handling practices					
5	The communication of the bank's employees with customers is very good					
6	The Employees of the bank provide adequate information on the bank's services.					
7	Employees of the bank have make me to have positive attitude in the bank					
8	The employees of the bank have full knowledge on all the bank's products					
9	The employees of the bank made me to have awareness about the bank's products					

	IV. Public Relations and Publicity Related Questions	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
1	The bank's Sponsorship practice is very good					
2	The bank participates in Charitable activities					
3	The bank participates on Public Service Activities strongly					
4	The documentary films released by the bank are strong in creating awareness					
5	The Press Conferences of the bank have big contribution in creating awareness to customers					
6	The various exhibitions which prepare by the bank are great contribution in promoting its products					
7	The bank has Adequate marketing campaigns regarding to its services					
8	The bank's identity Medias (like logo, business cards, dress codes etc) have attract attention strongly					
9	The bank publishes newsletters and magazines extensively to reach and influence target markets					
10	The bank publishes Annual reports, brochures and articles to reach and influence target markets					
	V. Direct Marketing Related Questions					
1	The bank uses SMS (mobile marketing) to contact customers directly.					
2	The bank uses email to contact customers directly.					
3	The bank uses call center to contact customers directly.					
4	The bank uses website to promote its services directly to customers.					
5	The bank's advertisements released in the website are appealing					

APPENDIX- III

አዲስ አበባ ዩኒቨርስቲ ንግድ ሥራ ት/ቤት

በድኅረ ምረቃ ትምህርት ዘርፍ የገበያ ሥራ አመራር ትምህርት ክፍል

ለደንበኞች የተዘጋጀ መጠይቅ

ክቡርነትዎ

ይህ መጠይቅ በአዲስ አበባ ዩኒቨርስቲ የንግድ ሥራ ት/ቤት ድኅረ ምረቃ "የባንኮች የማስታወቂያ ስትራተጂ በትርፋቸው ላይ ያለው ተፅዕኖ" በሚል ርዕስ የተዘጋጀ ነው:: ዓላማውም የንግድ ባንኮች የማስታወቂያ ስትራተጂ በትርፋቸው ላይ ያለው ተፅዕኖ (effect) የሚዳስስ ሲሆን ለዚህም የኢትዮጵያ ንግድ ባንክ እንደ ናሙና ተመርጧል።

ለመጠይቁ የሚሰጠው ምላሽ ለትምህርት ዓላማ ብቻ የሚውል እና ምስጢራዊነቱ ሙሉ በሙሉ የተጠበቀ ስለሆነ ያለስጋት ምላሽ ይሰጡ ዘንድ እየጠየቅኩ በተጨማሪም የዚህ ጥናት ውጤታማነት በእርሶ ምላሽ ላይ የተመሰረተ በመሆኑ በተቻሎት መጠን ለመጠይቁ አግባብነት ያለው ምላሽ ይሰጡ ዘንድ በትህትና እጠይቃለሁ።

መመሪያዎች

1.ስምዎን መጻፍ አያስፈልጎትም

2.ለመልስዎ ከጥያቄዎቹ ጎን የ (**√**) ምልክት ያድርጉ

ለሚያደርጉልኝ ቀና ትብብር በቅድሚያ አመሰግናለሁ!

1.ከግል ታሪክ ጋር የተገናኙ መጠይቆች

1.ጾታ

ወንድ ☐ ሴት ☐

2.ዕድሜ

18-24 ☐ 25-35 ☐ 36-45 ☐ ከ 46 በላይ ☐

3.የትምህርት ደረጃ

ዲፕሎማ ☐ የመጀመሪያ ዲግሪ ☐ ሁለተኛ ዲግሪ ☐ ፒኤችዲ ☐

ሌላ ካለ ይግለጹ-----------------------------

4. ለምን ያህል ጊዜያት ከንግድ ባንክ ጋር በደንበኝነት ሰርተዋል?

☐ 1-5 ዓመታት ☐ 6-10 ዓመታት ☐ 11- 15 ዓመታት

☐ 16-20 ዓመታት ☐ ከ 21 ዓመታት በላይ

ከማስታወቂያ ስብጥር ስትራተጂ (Promotion Mix Strategy) ጋር ተያያዥ የሆኑ ጥያቄዎች

ተ.ቁ	የማስታወቂያ ስብጥር ዓይነቶች	መለኪያ				
	I. ከማስታወቂያ (Advertisement) ጋር ተያያዥ የሆኑ ጥያቄዎች	1 በጣም አልስማማም	2 አልስማማም	3 ገለልተኛ ነኝ	4 እስማማለሁ	5 በጣም እስማማለሁ
1	ባንኩ በራዲዮ የሚያስተላልፋቸው ማስታወቂያዎች ትልቅ ግንዛቤ ይሰጣሉ					
2	ባንኩ በቴለቪዥን የሚያስተላልፋቸው ማስታወቂያዎች ትልቅ ግንዛቤ ይሰጣሉ					
3	ባንኩ በጋዜጣ የሚያስተላልፋቸው ማስታወቂያዎች ትልቅ ግንዛቤ ይሰጣሉ					
4	ባንኩ በቢልቦርድ (billboards) የሚያስተላልፋቸው ማስታወቂያዎች ትልቅ ግንዛቤ ይሰጣሉ					
5	ባንኩ በመጽሔት የሚያስተላልፋቸው ማስታወቂያዎች ትልቅ ግንዛቤ ይሰጣሉ					
6	ባንኩ በብሮሸር(Brochure) እና በቡክሌት(booklets) የሚያስተላልፋቸው ማስታወቂያዎች ትልቅ ግንዛቤ ይሰጣሉ					
7	ባንኩ በበራሪ ጽሑፍ (leaflets) እና በተለጣፊ ማስታወቂያ (Posters) የሚያስተላልፋቸው ማስታወቂያዎች ትልቅ ግንዛቤ ይሰጣሉ					
8	የባንኩ ማስታወቂያዎች ከሚሰጣቸው አገልግሎቶች በላይ የተጋነኑ አይደሉም					
9	የባንኩ ማስታወቂያዎች የማሳመን አቅማቸው ከፍተኛ ነው					
10	የባንኩ የቴለቪዥን ማስታወቂያዎች በሰው አዕምሮ ላይ ብዙ ጊዜ የመቆየት አቅም አላቸው					
11	የባንኩ የራድዮ ማስታወቂያዎች በሰው አዕምሮ ላይ ለብዙ ጊዜ የመቆየት አቅም አላቸው					
12	በአጠቃላይ የባንኩ ማስታወቂያ ግልጽና ማራኪ ነው					
	II.የሽያጭ ማስታወቂያ(Sales Promotion) በተመለከተ					
1	የባንኩ የይቆጥቡ ይሸለሙ ፕሮግራም የቁጠባ ባህሌን አሳድጎታል					
2	ባንኩ ለደንበኞቹ ስጦታ ይሰጣል					
3	ባንኩ ለሴቶች፣ለታዳጊ ወጣቶች እና ለወጣቶች የቁጠባ ሂሳብ የሚሰጠው ተጨማሪ ወለድ ደንበኞችን የበለጠ እንዲቆጥቡ ያበረታታል					
4	የንግድ ባንክ የንግድ አጋር ድርጅቶች ለሴቶች የቁጠባ ሂሳብ ባለቤቶች የሚሰጡት የዋጋ ቅናሽ የሴቶችን የቁጠባ ባህላቸው አሳድጎታል					

	III. ከሽያጭ ሰራተኛ(Personal selling) ጋር ተያያዥ የሆኑ ጥያቄዎች					
1	የባንኩ ሰራተኞች የባንኩን አገልግሎቶች የመሸጥ ክህሎት (selling Skills)አላቸው					
2	የባንኩ ሰራተኞች የአለባበስ ሁኔታ እና አጠቃላይ ገጽታ ማራኪ ነው					
3	የባንኩ ሰራተኞች ባህሪ በጣም ጥሩ ነው					
4	የባንኩ ሰራተኞች ከፍተኛ የደንበኞች አገልግሎት ልምድ(customer handling practice) አላቸው					
5	የባንኩ ሰራተኞች ከደንበኞች ጋር ያለቸው ግንኙነት (communication) በጣም ጥሩ ነው					
6	የባንኩ ሰራተኞች ለደንበኞች ስለ ባንኩ አገልግሎቶች በቂ መረጃ ይሰጣሉ					
7	የባንኩ ሰራተኞች በባንኩ ላይ ጥሩ አመለካከት እንዲኖረኝ አድርገውኛል					
8	የባንኩ ሰራተኞች በሁሉም የባንኩ አገልግሎቶች ዙርያ በቂ እውቀት አላቸው					
9	የባንኩ ሰራተኞች ባንኩ በሚሰጣቸው አገልግሎቶች ዙርያ ግንዛቤ እንዲኖረኝ አድርገውኛል					
	IV. ከሕዝብ ግኑኝነት እና ህትመት(Public Relationsand publicity) ጋር ተያያዥ የሆኑ ጥያቄዎች	1 በጣም አልስማማም	2 አልስማማም	3 ገለልተኛ ነኝ	4 እስማማለሁ	5 በጣም እስማማለሁ
1	ንግድ ባንክ ግለሰቦችን ወይም ድርጅቶችን የመደገፍ ልምድ (Sponsorship practice) አለው					
2	ንግድ ባንክ በተለያዩ የበጎ አድራጎት ስራዎች ላይ ይሳተፋል					
3	ባንኩ በተለያዩ የህዝብ አገልግሎት እንቅስቃሴዎች ላይ ይሳተፋል					
4	በባንኩ አገልግሎት ዙርያ የሚለቀቁ ዶክመንተሪ ፊልሞች ትልቅ ግንዛቤ ይሰጣሉ					
5	በንግድ ባንክ የሚለቀቁ ጋዜጣዊ መግለጫዎች ለደንበኞች ትልቅ ግንዛቤ ይሰጣሉ					
6	ባንኩ የሚያዘጋጃቸው ልዩ ልዩ አውደ ርዕዮች (exhibitions) አገልግሎቶቹን ለማስተዋወቅ ትልቅ አስተዋጽኦ አላቸው					
7	ባንኩ በየጊዜው በአገልግሎቶቹ ዙርያ በቂ የሆነ የማስተዋወቅ ዘመቻ (campaign) ያደርጋል					
8	የባንኩ የሚዲያ መለያዎች (Identity Medias) ለምሳሌ:- ሎጎ፣ቢዝነስ ካርድ፣የአለባበስ ደንቦች ወዘተ ጥሩዎች እና ማራኪዎች ናቸው					
9	ንግድ ባንክ የሕዝብ ግንኙነቱን ለማጠናከር እና ተደራሽ ለመሆን መጽሔት እና ጋዜጣ በበቂ ሁኔታ እያሳተመ ያሰራጫል					
10	ንግድ ባንክ የሕዝብ ግንኙነቱን ለማጠናከር ፣ ተደራሽ ለመሆን እና ተፅዕኖ ለመፍጠር አመታዊ ሪፖርቶች፣ብሮሸሮች እና አጫጭር ጽሑፎች (Articles) ያትማል					

	V. የቀጥታ ግብይት (Direct Marketing) በተመለከተ					
1	ባንኩ ደንበኞቹን በቀጥታ ለማግኘት አጭር የጽሑፍ መልዕክት (SMS) ይጠቀማል					
2	ባንኩ ደንበኞቹን በቀጥታ ለማግኘት ኢ-ሜይል (email) ይጠቀማል					
3	ባንኩ ደንበኞቹን በቀጥታ ለማግኘት የጥሪ ማዕከል(call center) ይጠቀማል					
4	ባንኩ አገልግሎቶቹን ለማስተዋወቅ ድረ-ገጽ (website) ይጠቀማል					
5	ባንኩ በድረ-ገጽ የሚለቃቸው ማስታወቂያዎች ማራኪ ናቸው					

Addis Ababa University

School of Commerce

Postgraduate Study in Marketing Management

Interview Questions

1. What is the effect of advertising on the profit of CBE?
2. What is the effect of sales promotion on the profit of CBE?
3. What is the effect of public relations and publicity on the profit of CBE?
4. What is the effect of personal selling on the profit of CBE?
5. What is the effect of direct marketing on the profit of CBE?

APPENDIX -IV

SYSTEMATIC SIMPLE RANDOM SAMPLING

30	60	90	120	150	180	210	240	270	300	330	360	390	420
450	480	510	540	570	600	630	660	690	720	750	780	810	840
870	900	930	960	990	1020	1050	1080	1110	1140	1170	1200	1230	1260
1290	1320	1350	1380	1410	1440	1470	1500	1530	1560	1590	1620	1650	1680
1710	1740	1770	1800	1830	1860	1890	1920	1950	1980	2010	2040	2070	2100
1830	1860	1890	1920	1950	1980	2010	2040	2070	2100	2130	2160	2190	2220
2250	2280	2310	2340	2370	2400	2430	2460	2490	2520	2550	2580	2610	2640
2670	2700	2730	2760	2790	2820	2850	2880	2910	2940	2970	3000	3030	3060
3090	3120	3150	3180	3210	3240	3270	3300	3330	3360	3390	3420	3450	3480
3510	3540	3570	3600	3630	3660	3690	3720	3750	3780	3810	3840	3870	3900
3930	3960	3990	4020	4050	4080	4110	4140	4170	4200	4230	4260	4290	4320
4350	4380	4410	4440	4470	4500	4530	4560	4590	4620	4650	4680	4710	4740
4770	4800	4830	4860	4890	4920	4950	4980	5010	5040	5070	5100	5130	5160
5190	5220	5250	5280	5310	5340	5370	5400	5430	5460	5490	5520	5550	5580
5610	5640	5670	5700	5730	5760	5790	5820	5850	5880	5910	5940	5970	6000
6030	6060	6090	6120	6150	6180	6210	6240	6270	6300	6330	6360	6390	6420
6450	6480	6510	6540	6570	6600	6630	6660	6690	6720	6750	6780	6810	6840
6870	6900	6930	6960	6990	7020	7050	7080	7110	7140	7170	7200	7230	7260
7290	7320	7350	7380	7410	7440	7470	7500	7530	7560	7590	7620	7650	7680
7710	7740	7770	7800	7830	7860	7890	7920	7950	7980	8010	8040	8070	8100
8130	8160	8190	8220	8250	8280	8310	8340	8370	8400	8430	8460	8490	8520
8550	8580	8610	8640	8670	8700	8730	8760	8790	8820	8850	8880	8910	8940
8970	9000	9030	9060	9090	9120	9150	9180	9210	9240	9270	9300	9330	9360
9390	9420	9450	9480	9510	9540	9570	9600	9630	9660	9690	9720	9750	9780
9810	9840	9870	9900	9930	9960	9990	10020	10050	10080	10230	10260	10290	10320
10350	10380	10410	10440	10470	10500	10530	10560	10590	10620	10650	10680	10710	10740
10770	10800	10830	10850	10880	10910	10940	10970	11000	11030	11060	11090	11120	11150

Specs: This table of 378 random numbers was produced according to the following specifications: Numbers were randomly selected from within the range of 1 to 11,236.Duplicate numbers were not allowed. This table was generated on April 10, 2018.

APPENDIX V

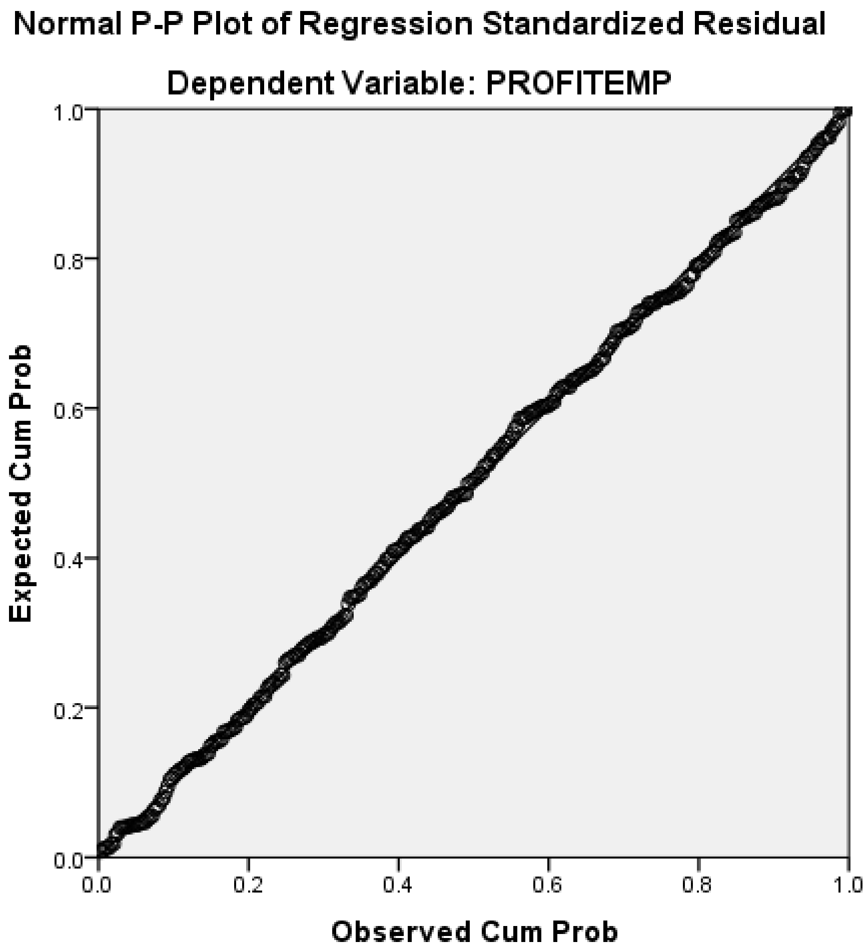
Population Size	Confidence = 95% Margin of Error 5.0%	3.5%	2.5%	1.0%	Confidence = 99% Margin of Error 5.0%	3.5%	2.5%	1.0%
10	10	10	10	10	10	10	10	10
20	19	20	20	20	19	20	20	20
30	28	29	29	30	29	29	30	30
50	44	47	48	50	47	48	49	50
75	63	69	72	74	67	71	73	75
100	80	89	94	99	87	93	96	99
150	108	126	137	148	122	135	142	149
200	132	160	177	196	154	174	186	198
250	152	190	215	244	182	211	229	246
300	169	217	251	291	207	246	270	295
400	196	265	318	384	250	309	348	391
500	217	306	377	475	285	365	421	485
600	234	340	432	565	315	416	490	579
700	248	370	481	653	341	462	554	672
800	260	396	526	739	363	503	615	763
1,000	278	440	606	906	399	575	727	943
1,200	291	474	674	1067	427	636	827	1119
1,500	306	515	759	1297	460	712	959	1376
2,000	322	563	869	1655	498	808	1141	1785
2,500	333	597	952	1984	524	879	1288	2173
3,500	346	641	1068	2565	558	977	1510	2890
5,000	357	678	1176	3288	586	1066	1734	3842
7,500	365	710	1275	4211	610	1147	1960	5165
10,000	370	727	1332	4899	622	1193	2098	6239
25,000	378	760	1448	6939	646	1285	2399	9972
50,000	381	772	1491	8056	655	1318	2520	12455
75,000	382	776	1506	8514	658	1330	2563	13583
100,000	383	778	1513	8762	659	1336	2585	14227
250,000	384	782	1527	9248	662	1347	2626	15555
500,000	384	783	1532	9423	663	1350	2640	16055
1,000,000	384	783	1534	9512	663	1352	2647	16317
2,500,000	384	784	1536	9567	663	1353	2651	16478
10,000,000	384	784	1536	9594	663	1354	2653	16560
100,000,000	384	784	1537	9603	663	1354	2654	16584
300,000,000	384	784	1537	9603	663	1354	2654	16586

Required Sample Size†

This formula is the one used by Krejcie& Morgan in their 1970 article “Determining Sample Size for Research Activities” (*Educational and Psychological Measurement*, #30, pp. 607-610).

APPENDIX-VI

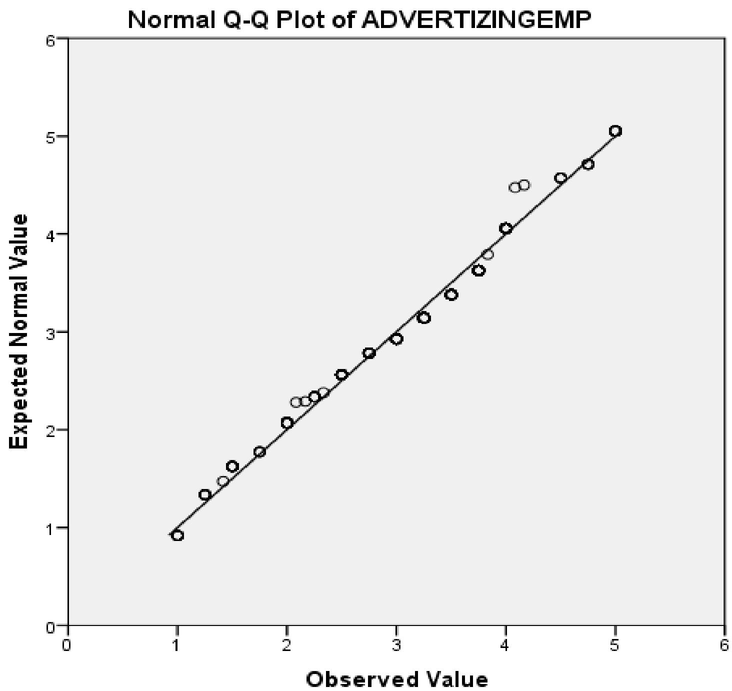
Normal P-Plot of Regression Standardized Residuals of Employee respondents



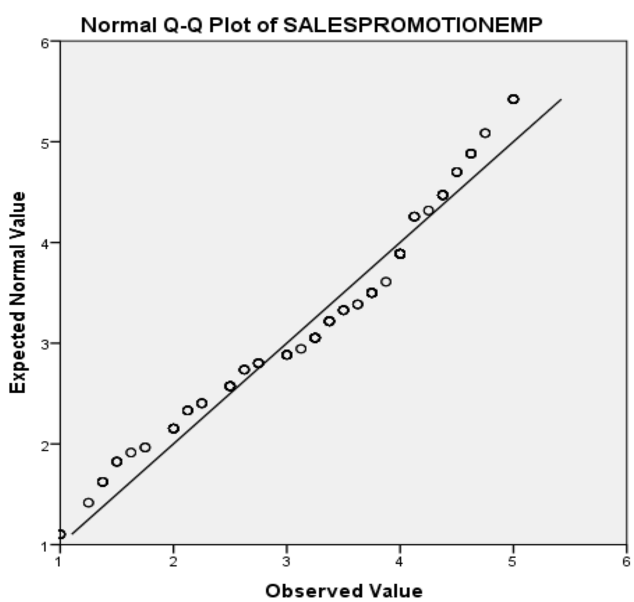
APPENDIX-VII

Scatter plot linearity test for promotion mix elements with profit for employee respondents

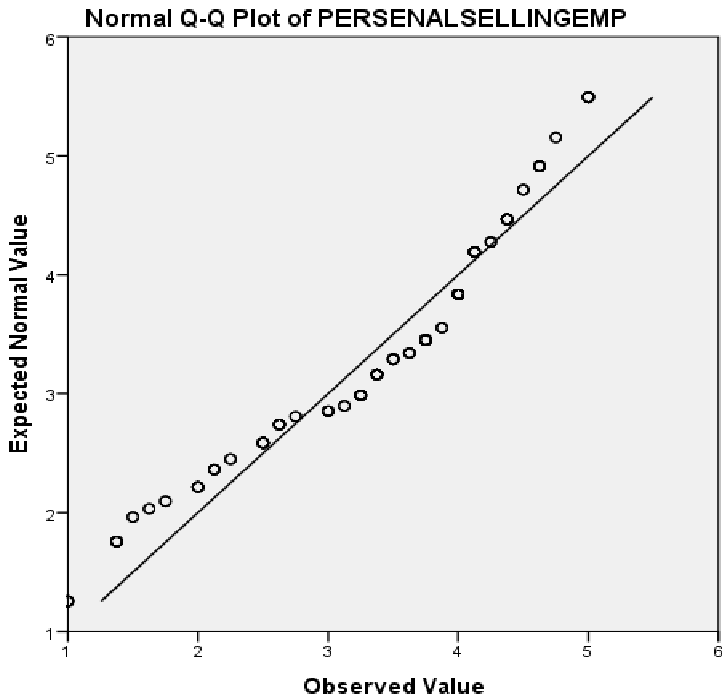
Advertising and Profit



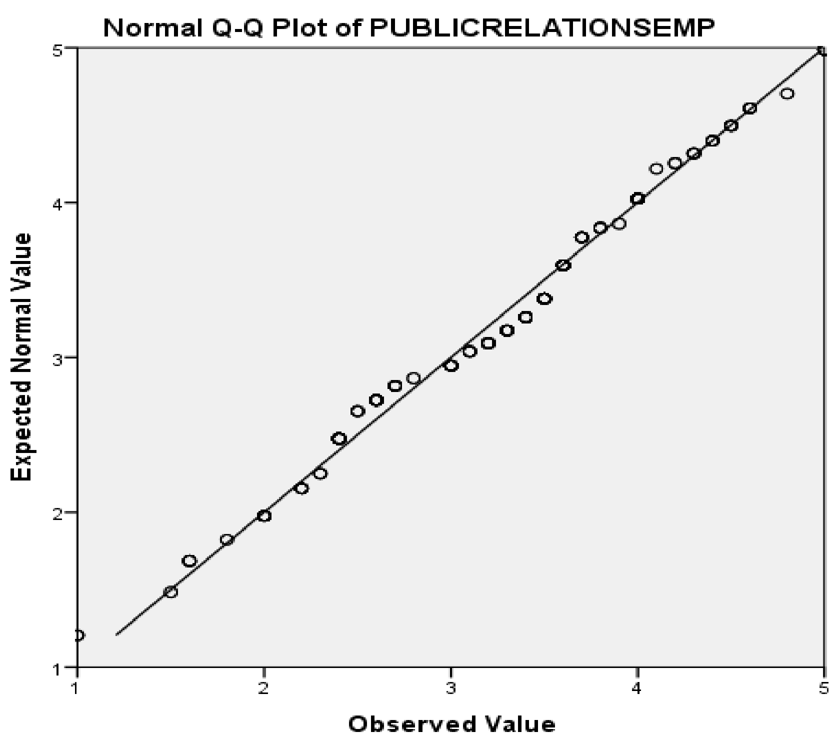
Sales Promotion and Profit



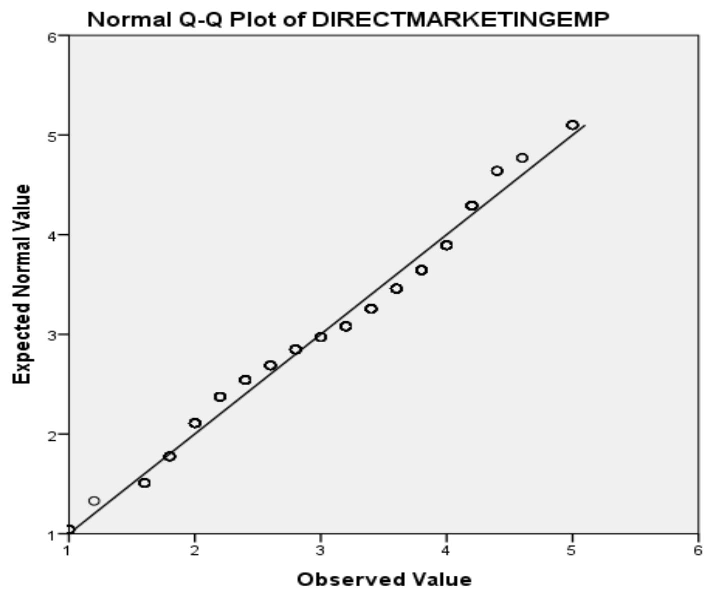
Personal Selling and Profit



Public Relations and Publicity, and Profit

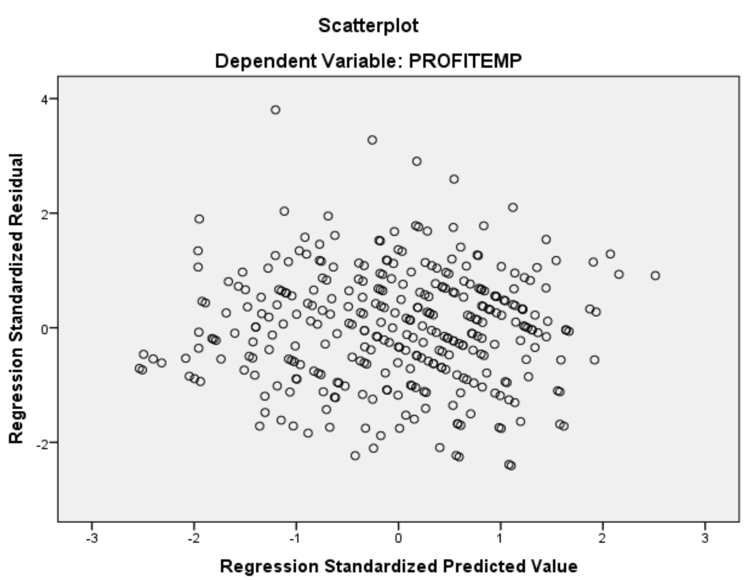


Direct Marketing and Profit



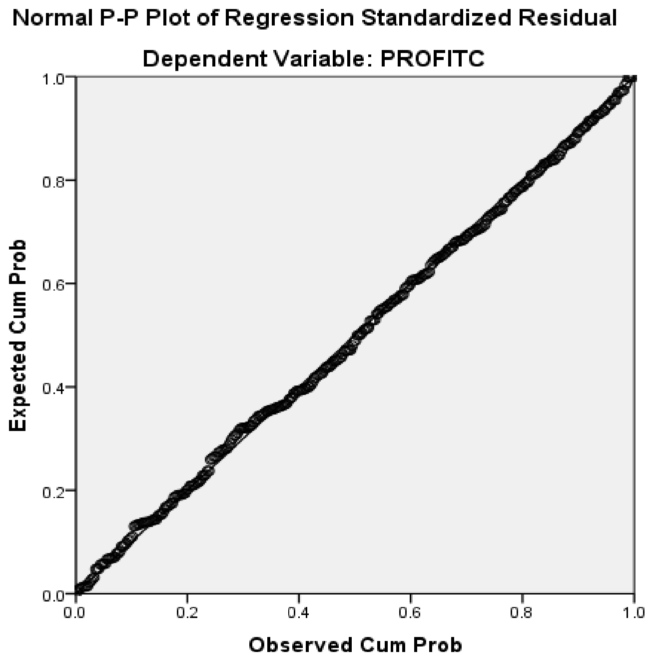
APPENDIX -VIII

Scatter plot homoscedasticity test for promotion mix elements and profit of Employee respondents



PPENDIX -IX

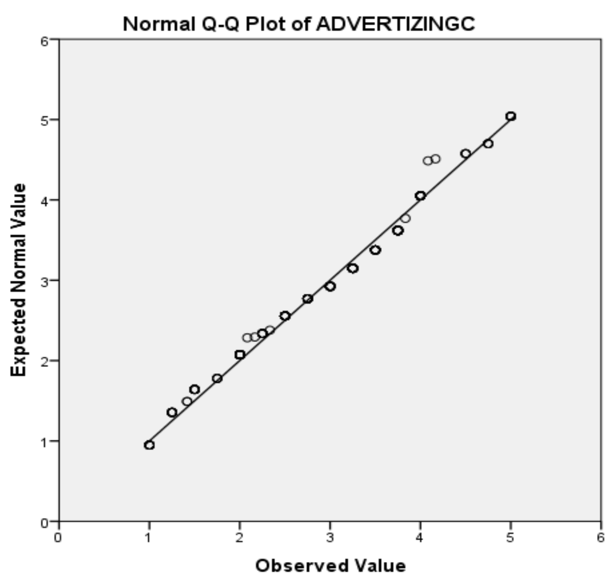
Normal P-Plot of Regression Standardized Residuals of Customer Respondents

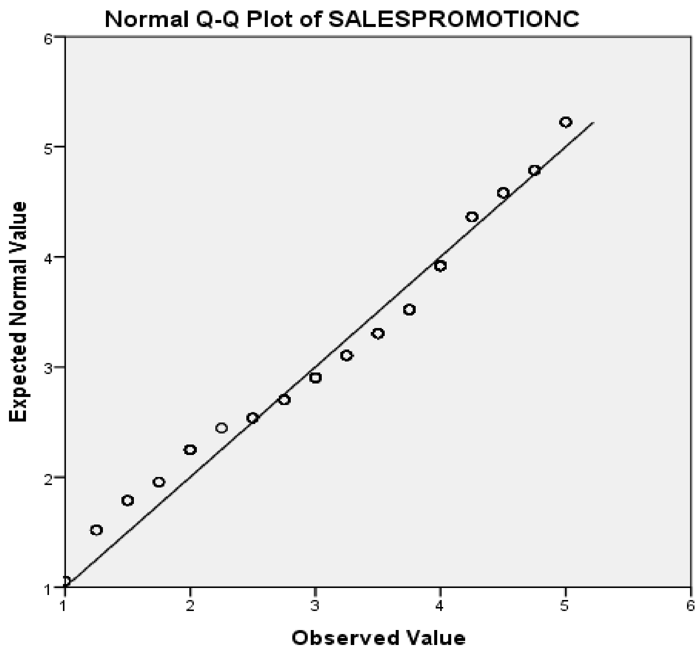


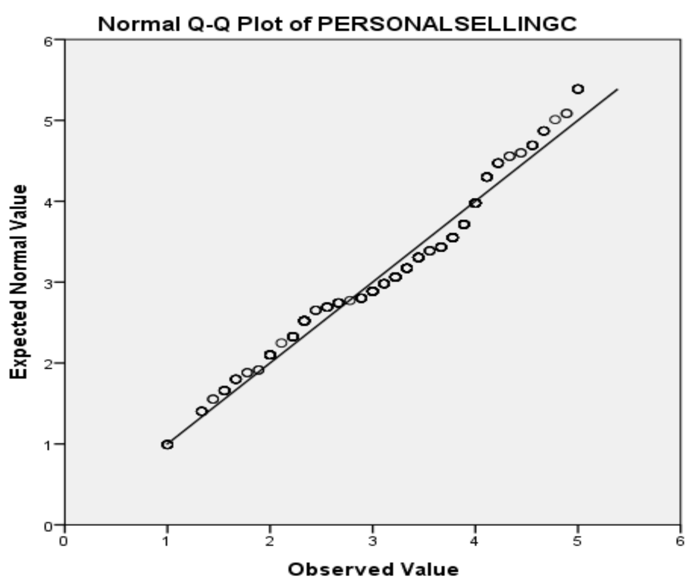
APPENDIX -X

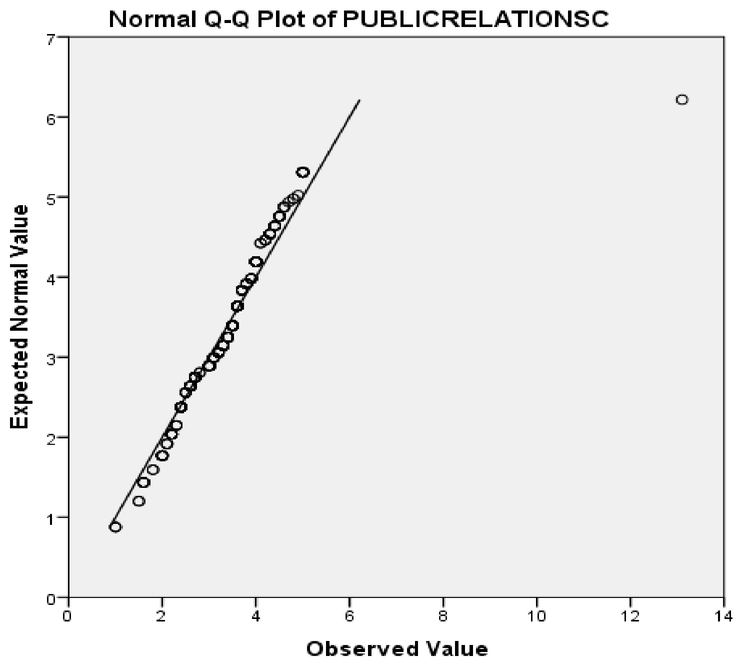
Scatter plot linearity test for promotion mix elements with profit for customer respondents

Advertising and Profit

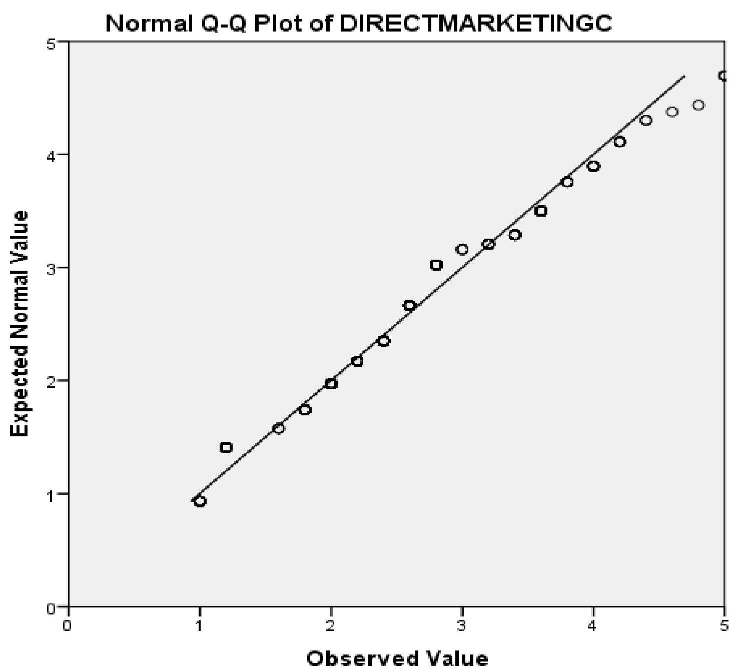



Normal Q-Q Plot of SALESPROMOTIONC
Expected Normal Value
Observed Value


Normal Q-Q Plot of PERSONALSELLINGC
Expected Normal Value
Observed Value



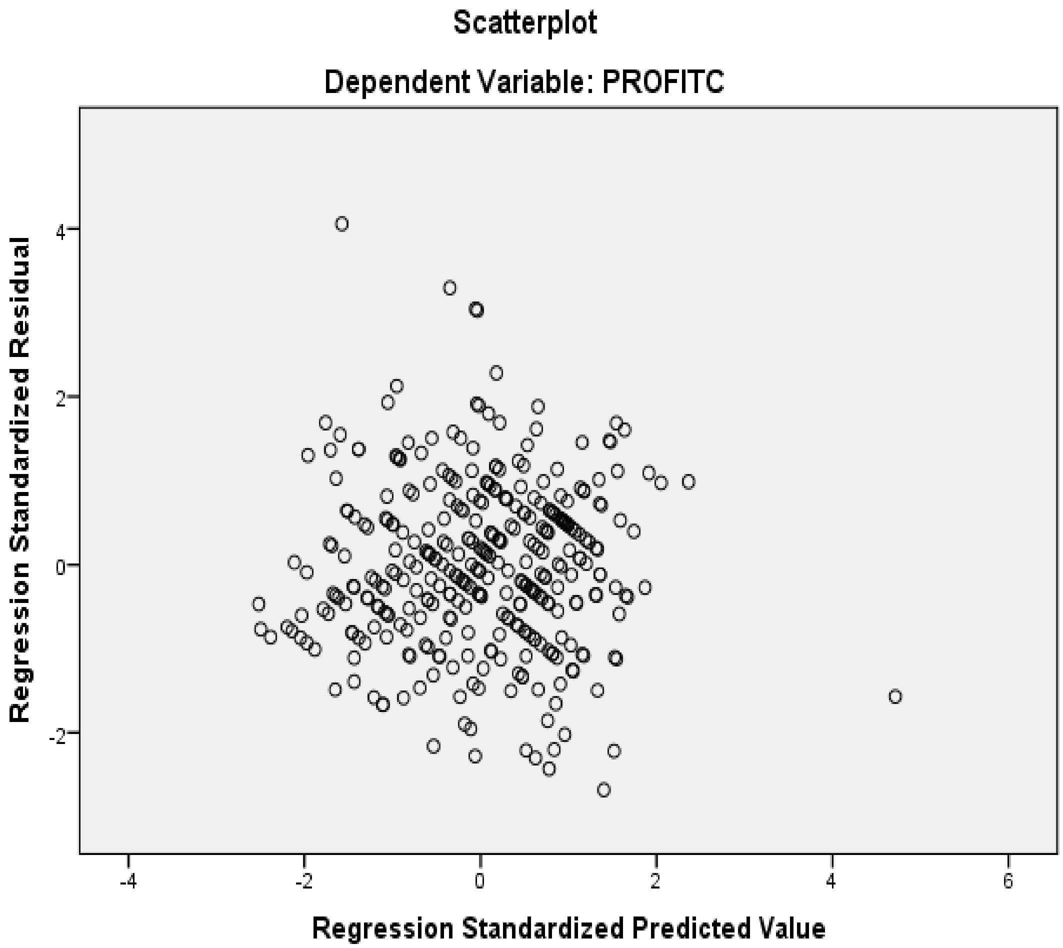
Normal Q-Q Plot of PUBLICRELATIONSC
Expected Normal Value
Observed Value
0
1
2
3
4
5
6
7
0
2
4
6
8
10
12
14



Normal Q-Q Plot of DIRECTMARKETINGC
Expected Normal Value
Observed Value
0
1
2
3
4
5
0
1
2
3
4
5

APPENDIX-XI

Scatter plot homoscedasticity test for promotion mix elements and profit of customer respondents



APPENDIX -XII

Correlation Matrix for Employee Respondents

		Ad.	Sales Promotion	Personal Selling	Public Relations and Publicity	Direct Marketing	Profit
Advertisement	Pearson Correlation	1	.143	.134	.167	.129	.313
	Sig. (2-tailed)		.009	.015	.002	.019	.000
	N	332	332	332	332	332	332
Sales Promotion	Pearson Correlation	.143	1	.789	.015	.375	.547
	Sig. (2-tailed)	.009		.000	.782	.000	.000
	N	332	332	332	332	332	332
Personal Selling	Pearson Correlation	.134	.789	1	.140	.507	.535
	Sig. (2-tailed)	.015	.000		.011	.000	.000
	N	332	332	332	332	332	332
Public Relations and Publicity	Pearson Correlation	.167	.015	.140	1	.217	.274
	Sig. (2-tailed)	.002	.782	.011		.000	.000
	N	332	332	332	332	332	332
Direct Marketing	Pearson Correlation	.129	.375	.507	.217	1	.360
	Sig. (2-tailed)	.019	.000	.000	.000		.000
	N	332	332	332	332	332	332
Profit	Pearson Correlation	.313	.547	.535	.274	.360	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	332	332	332	332	332	332

APPENDIX- XIII: Correlation Matrix for Customer Respondents

		Ad.	Sales Promotion	Personal Selling	Public Relations and Publicity	Direct Marketing	Profit
Advertisement	Pearson Correlation	1	.130	.641	.162	.152	.340
	Sig. (2-tailed)		.015	.000	.002	.004	.000
	N	350	350	350	350	350	350
Sales Promotion	Pearson Correlation	.130	1	.191	.041	.359	.533
	Sig. (2-tailed)	.015		.000	.448	.000	.000
	N	350	350	350	350	350	350
Personal Selling	Pearson Correlation	.641	.191	1	.262	.336	.403
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	350	350	350	350	350	350
Public Relations and Publicity	Pearson Correlation	.162	.041	.262	1	.230	.280
	Sig. (2-tailed)	.002	.448	.000		.000	.000
	N	350	350	350	350	350	350
Direct Marketing	Pearson Correlation	.152	.359	.336	.230	1	.394
	Sig. (2-tailed)	.004	.000	.000	.000		.000
	N	350	350	350	350	350	350
Profit	Pearson Correlation	.340	.533	.403	.280	.394	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	350	350	350	350	350	350

APPENDIX -XIV

SUPPORTING LETTERS