ADDIS ABABA UNIVERSITY

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EFFECT OF PRIZE-LINKED SAVING PROMOTION ON CUSTOMERS' INTENTION TO SAVE IN COMMERCIAL BANK OF ETHIOPIA

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Thesis Submitted to Addis Ababa University School of Commerce Post Graduate Program in Partial Fulfillment of the Requirements for the Award of the Degree of Master of Arts in Marketing Management

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EFFECT OF PRIZE-LINKED SAVING PROMOTION (PLSP) ON CUSTOMERS' INTENTION TO SAVE IN COMMERCIAL BANK OF ETHIOPIA

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A Research Thesis Submitted to Addis Ababa University School of Commerce in Partial Fulfillment of the Requirement for the Award of Master of Arts Degree in Marketing Management

Addis Ababa University
College of Business and Economics
School of Commerce
Graduate Studies
Marketing Management Program Unit

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STATEMENT OF DECLARATION

I hereby declare that this study entitled "*Effect of Prize-Linked Saving Promotion on customers' intention to save in Commercial Bank of Ethiopia*" is my original work prepared under the guidance of my advisor, Getie Andualem (Ph.D.). This paper is submitted in partial fulfillment of the requirement for the Award of Master of Arts Degree in Marketing Management and it has not been previously submitted to any diploma or degree in any college or university. I would like also to confirm that all the sources of materials used in this study are duly acknowledged.

Name: **Fekiru Kenea Bekele**

Sig.: _____

Date: December 4, 2018

STATEMENT OF CERTIFICATION

This is to certify that Fekiru Kenea Bekele has carried out his research work entitled "*Effects of Prize-Linked saving Promotion on customers' intention to save in Commercial Bank of Ethiopia*" in partial fulfillment of the requirement for the Award of Master of Arts Degree in Marketing Management at Addis Ababa University College of Business and Economics School of Commerce. This paper is an original work and has not been submitted to any diploma or degree in any college or university.

_____

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"Effects of Prize-Linked saving Promotion on customers' intention to save in Commercial Bank of Ethiopia"

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ABBREVIATIONS & ACRONYMS

AAU: Addis Ababa University

CATS: Customer Accounts and Transaction Services

CBE: Commercial Bank of Ethiopia

CD: Cash Deposit

D2D: Doorways-to-Dreams

EAAD: East Addis Ababa District

ETB: Ethiopian Birr

FNB: First National Bank

ISHOPA: Imperial Savings and Home Ownership public Association

LLDA: Lottery Linked Deposit Accounts

MaMA: a- Million-a- Month-Account

MIS: Management Information Systems

NAAD: North Addis Ababa District

NBE: National Bank of Ethiopia

NGO: Non-Governmental Organization

NS&I: National Saving and Investment

PLS: Prize-Linked Saving

SAAD: South Addis Ababa District

SMS: Short Message Service

TVET: Technical and vocational education and training

WAAD: West Addis Ababa District

WB: World Bank

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ABSTRACT

This study was intended to examine the effect of prize-linked saving (PLS) promotion on customers' intention to save in Commercial Bank of Ethiopia. Particularly, it was focused on assessing the role of PLS promotion in creating customers' intention to save in terms of five dimensions: namely awareness, credibility, emotional affect, social compliance and utilitarian value. Both descriptive and explanatory designs with quantitative approach were employed. Data were collected using five point scale self-administered questionnaire from 379 customers that were sampled across 25 branches of CBE supervised under four districts in Addis Ababa and surrounding. After all appropriate statistical assumptions were checked and confirmed data were analyzed through descriptive and inferential statistical tools by the help of SPSS version 20. According to the data, about 53% of the variation in customers' intention to save can be explained by the dimensions of PLS promotion (namely awareness, credibility, emotional affect, social compliance and utilitarian value). Result also shows that all proposed dimensions of PLS promotion, except emotional affect, have significant positive effect on intention to save. Among dimensions, social compliance was found to have the largest positive effect on intention to save in the context of PLS promotion whereas emotional affect was found to have negative effect on intention to save. The study also found that PLS promotion appeals more to women, young people, less educated and low income individuals. Finally, it is recommended that the bank's promotion managers should focus on enhancing and ensuring social compliance of PLS. Enhancing transparency of prize lottery drawing process will be additional fuel that can accelerate the scheme's credibility. Lastly, it is better and economical for promotional efforts on PLS program to focus primarily on women, low income people,less educated and the young population, for they are highly responsive segment to PLS promotion.

***Key words**: intention to save, Prize-Linked saving promotion, awareness, credibility, emotional affect, social compliance, and utilitarian value*

CHAPTER ONE

INTRODUCTION

The purpose of this study was to assess the effect of PLS promotion on customers' intention to save in Commercial Bank of Ethiopia. This chapter provides background and stimulus for the research.

1.1. Background of the Study

A consensus has emerged among academics and policymakers that traditional vehicles for increasing saving are not generally successful at raising saving by individuals at the lower end of the wealth distribution (Kearney et al. 2011). Recent initiatives which use matching funds as an additional enticement to save are promising but require substantial government financial support. In light of this, economists and policymakers have investigated many proposals and products aimed at encouraging higher savings rates. One such proposal is the usage of prize-linked savings (PLS) products, which provide participants the chance to win prizes by saving money, typically in a lottery-like setting (Tufano and Schneider 2008).

Prize-linked savings accounts (PLS) are deposit accounts that, instead of (or in addition to) paying out a fixed amount of regular interest, allow deposit holders to enter a prize draw by depositing savings, giving them the chance to win a large sum of money (Guillen and Tschoegl 2002; Guryan et al. 2010; D2D 2013). The prize-linked saving product combines both saving and lottery features. Like lottery, it offers chances that promise to give bigger prize but unlike lottery PLS keeps the principal investment intact while the interest rate depends on the issuers' decision. In addition, such accounts are potentially a more cost-effective way of promoting saving compared to matching accounts or policies that use financial incentives to motivate saving behavior. High lottery expenditures (for example, $540 on average per year in the U.S.) and relatively higher as a proportion of income among households with lower income suggests a potentially strong appeal for PLS accounts among people with low income (Kearney et al. 2011).

Unlike other lotteries, prize-linked savings is a zero risk of losing one's principal investment although in some countries depositors may forfeit interest partially or wholly. The prize-linked saving account rather yields much more benefits provided that it enables account holders to earn the standard interest rate on deposits on top of making them eligible to obtain the chance for taking part in the lottery. That is gambling with risk of no loss and with a positive probability of winning a big sum of money. Contrary to all other gambling, the expected value of PLS is above its purchasing price, that is why researchers denote Prize-Linked Savings as 'heads you win and tails you don't lose' (Tufano & Schneider, 2008). Thus, PLS blends both economic and other motives, making them irreplaceable choices for any rational economic agent.

PLS accounts differ from standard saving accounts in one specific way. Instead of, or perhaps in addition to, offering a fixed interest return, PLS accounts offer a stochastic return in that depositors periodically receive a chance to win a specified (and potentially large) amount that is a function of deposit amounts. In this sense, this chance is similar to a lottery ticket. The random component of the return on saving can take the form of in-kind prizes, as is commonly offered by commercial banks in Latin America, or as a cash prize awarded to account holders as a part of a regular drawing, as is the case with Britain's Premium Bonds.

There are two features of PLS accounts that would likely be attractive to potential savers. First, they offer a skewed distribution of returns. Many potential investors desire some exposure to upside risk (i.e. a chance to be rich). Second, to the extent that they offer a lottery-like component, PLS accounts potentially offer an element of entertainment or fun. The promotion of PLS products takes seriously the idea that potential savers place a high value on the chance to 'win big' (Atalay et al. 2012).

Studies revealed that PLS significantly helps in starting saving and increasing the deposit amount, especially for low-level income depositors (Tufano 2008; Atalay et al 2011). It also helps to encourage and strengthening the deposit demand of these people in saving the principal plus the banks' interest rate and, of course, the opportunity to win the lottery prizes offered by the banks or financial institutions. According to Butler et al. (2013), PLS is a tested and stimulating technique to divert an impulse for a pleasure into a device

that builds a positive habit and moves toward the goal of economic opportunity and mobility. Thus, prize-linked saving products are an exciting way to engage consumers to save without any downside of losing. Similarly, Julia (2014) concluded that introducing lottery elements to savings seems to represent a promising policy tool to encourage savings, in particular among low-income households.

Low and middle income developing countries like Ethiopia can benefit from savings through allocating financial resources to profitable investment opportunities, and smooth consumption and ensure against emergencies. Despite the benefits of savings, only 41% of the adults in developing countries have bank accounts and fewer than half of the people who open accounts ever use for deposits or withdrawals (CBE 2015b). Thus, improving the design and marketing of savings products can make financial institutions more powerful in mobilizing deposits and improving economic well-being. One of the mechanisms is using financial incentives and tools that have a more emotional appeal and effective way of creating a culture of savings known as "prize-linked savings" (PLS).

The motives for introducing lottery-linked products have specific targeted goals common in both governments and corporations. Governments often employ either bond or saving accounts linked with randomized returns chiefly to replenish their treasury to fund emergencies or large programs and projects. Prize linked savings promotion was aggressively pursued in some countries chiefly to encourage the unbanked segments of the population to open accounts with formal banks. The First National Bank of South Africa introduced PLS primarily to promote financial inclusion among unbanked black South African (Tufano 2008). PLS is also widely practiced in the USA largely targeting low income and non-regular savers to stimulate and enhance their saving habits (D2D, 2009).

On the other hand, corporations introduce them as supplementary marketing devices and use them to enhance sales during slack periods or when introducing new products. In particular, financial intermediaries offer prize-linked savings as a promotional tool and reduce the cost of fund mobilization. It also helps them gain market shares, expand customer base and raise average deposit per accounts. To date, there is no systematic empirical evidence on the effect of prize-linked accounts on total savings of individuals,

which is crucial in determining the validity and effectiveness of introducing prize-linked savings products as a policy tool.

According to CBE, PLS can be a more effective public education and marketing strategies than traditionally practiced ways. The main motives for introducing prize linked savings both from the national and corporate perspectives are: to foster households' and individuals' saving habits; to motivate households and individuals to make regular savings and become financially more secured; encourage unbanked residents to connect themselves with banking services; to expand bank's market share, deposit base and strengthen its overall liquidity positions; (CBE 2012). Therefore, it worth knowing whether CBE's PLS program was effective in improving the saving habit of customers, attracting unbanked segment to bank service, and its tangible effects on customers' intention to save behaviors.

1.2. Statement of the Problem

Personal savings often serve as the first available buffer for households when faced with job loss, healthcare costs, or other financial shocks. However, recent evidence suggests that a large percentage of households maintain little to no savings, despite potentially high returns to saving and significant costs of financial fragility. Similarly, research found that poor people save proportionally less when compared to rich (Dupas and Robinson 2013; Lusardi et al. 2011; Somasundaram 2015).

Despite their long and successful history, prize-linked savings are relatively unstudied by scholars with a few exceptions. Guillen and Tschoegl (2002) surveyed PLS programs around the world, describing Latin American programs in some detail. They report that in Latin America, PLS products appealed to low income and unbanked individuals. In South Africa, the Million-a-Month Account offered by South Africa's First National Bank generated 1.1 million accounts and raised over 1.4 billion Rand during its three years lifetime (Vitello 2011). The product reportedly has appealed to a wide cross section of South Africans. Similarly, recent works on UK Premium Bond program found that demand for Premium Bond is stronger among lower income households than is their

demand for alternative products, like stocks and shares (Lobe and Höltzl (2007) and Tufano (2008)).

In addition, results from an online experiment conducted by Atalay et al. (2012) showed that the introduction of PLS accounts increase total savings (on average by 12%) and reduce lottery expenditures and current consumptions significantly, especially among individuals with the lowest levels of savings and income. The results imply that PLS accounts offer a plausible market-based solution to nudge individuals to increase savings.

Similar experiment run in the University of Maryland Experimental Economics Laboratory found strong evidence that subjects appear to be more patient when the option paid later is a risky gamble than when it is a sure thing (Emel et al. 2015). The appeal of the PLS product appears to be greatest among men (as opposed to finding by Cookson (2014) cited in Jeeva (2015) that women preferred PLS more than men) and those who report relatively low amounts in their existing bank accounts (Emel et al. 2015; Guillen and Tschoegl 2002; Atalay et al. 2012). Tufano, Maynard & De Neve (2008) also found out that there is slightly stronger demand among younger persons, men, employed people and less educated persons.

On the other hand, research conducted by World Bank (WB) on Nigeria's "I-save-I-win" prize-linked product run by First Bank Nigeria found out significant short-term effect on savings and prize-linked saving lottery is found effective at generating awareness about saving. However, it finds limited longer-term effects on use of financial products (Kanz 2012). Moreover, research by Cole et al, (2014) conducted on South Africa's MaMA account revealed that financially-constrained individuals and those with no other deposit accounts were particularly likely to open a PLS account. Participants in the PLS program increased their total savings on average by 1% of annual income, a 38% increase from the mean level of savings.

Obviously, the prize-linked saving (PLS) program is among the less researched areas of academic discipline. Though practically existed for centuries (a Million Adventure since 1694 and later replaced by UK Premium Bond), PLS gained academic attention very recently. As can be seen from the review of available empirical literatures above, very

few studies were conducted on the subject and their primary intentions were whether the scheme is promising or not, and whether people prefer them and also whether they attract and excite people. Significant portion of available studies were conducted with online and in laboratory experiments.

More importantly, some findings by previous studies contradict by themselves. For example, studies by Cookson (2014) cited in Jeeva (2015) revealed that the demand for PLS is more among rich than poor and more among women than men as opposed to findings by Guillen and Tschoegl (2002) and Atalay et al. (2012) that the appeal of the PLS product appears to be greatest among men and the vulnerable. Tufano, Maynard & De Neve (2008) also found out that there is slightly stronger demand among younger persons, men, employed people, and less educated persons. Similarly, study by Gertler and Higgins (2017) found the long term of effects of temporary incentives on saving behavior as opposed to study by Kanz (2011) on Nigeria's I-save-I-win program that found limited longer-term effects of PLS on the use of financial products.

In addition, it is evident from the above discussions that PLS accounts gain academic attentions only recently and very few have been done on it, yet. It is also a novel idea for our country. Commercial Bank of Ethiopia was a pioneer to introduce PLS promotion to Ethiopia by 2012. Because it has been recently achieving researchers' attention globally, the researcher has been facing serious shortage of literature on the subject. All the available studies conducted so far were done abroad and no available prior research was conducted on the effect of PLS on intention to save behavior in Ethiopia.

Finally, none of the previous works clearly identified the effect of PLS promotion (in terms of its awareness creation ability, credibility, emotional affect, social compliance and utilitarian value) on customers' intention to save. Similarly, to the best of the researcher's knowledge, all of the previous studies were conducted abroad on other countries' PLS experience and no any academic research is done on CBE's "Save-to-Win" program, yet. Having all these in mind, therefore, the current research, in addition to paving the way for the forthcoming researchers on the topic, tried in filling the above mentioned gaps by assessing the effect PLS promotion on customers' intention to save

behavior in CBE, in terms of five dimensions namely awareness, credibility, emotional affect, social compliance and utilitarian value.

1.3. Research Questions

The basic research questions that were answered by this study were as follows:

- What is the effect of Prize-linked Savings promotion's awareness creation about saving to enhance customers' intention to save in CBE?
- How credibility of Prize-Linked Saving (PLS) promotion does affects customers' intention to save in CBE?
- What is the effect of Prize-Linked Saving (PLS) promotions' emotional affect on customers' intention to save behavior in CBE?
- What is the effect of social compliance of Prize-Linked Saving (PLS) promotion on customers' intention to save in CBE?
- What is the relationship between utilitarian value of Prize-Linked Saving (PLS) promotion and customers' intention to save in CBE?
- What significant difference exists across respondents' gender, age group, educational status and income level in relation with customers' responsiveness to PLS promotion of CBE?

1.4. Objectives of the Study

The study was intended to address the following general and specific objectives.

1.4.1. General objective:

- The general objective of the study is to evaluate the effect of Prize-Linked Saving (PLS) promotion on customers' intention to save in Commercial Bank of Ethiopia.

1.4.2. Specific Objectives:

- To identify the effect of awareness created through PLS promotion on customers' intention to save in CBE;

- ☞ To measure the extent and type of relationship that exist between credibility of Prize-Linked Saving (PLS) promotion and customers' intention to save in CBE;
- ☞ To describe the extent and type of relationship that exist between emotional affect of Prize-Linked Saving (PLS) promotion and customers' intention to save in CBE;
- ☞ To explain the effect of social compliance of Prize-Linked Saving (PLS) promotion on customers' intention to save in CBE;
- ☞ To identify the type of relationship that exist between utilitarian value of Prize-Linked Saving (PLS) promotion and customers' intention to save in CBE;
- ☞ To test whether significant difference exists across respondents' gender, age group, educational status and income level in relation with responsiveness to PLS promotion of CBE.

1.5. Significance of the Study

This study assessed the effect of Prize-Linked Saving program on customers' intention to save in the context of Commercial Bank of Ethiopia, the bank that pioneered the introduction of PLS to the Ethiopian Banking industry. More specifically, the study has analyzed whether people liked the program in general and whether it influenced customers to save more than before and whether it could attract the unbanked segment to banking. It has also identified groups of customers that are more affected by the scheme.

The outcomes and results of this research will have a potential value to financial institutions, particularly banks looking for ways to introduce prize-linked products to their services by helping them understand the potentiality of the product in our country and areas they must focus in order to be successful. Knowing the effectiveness of the PLS in the bank will help CBE and/or other banks, perhaps, other industries like insurance, credit and saving associations, the government, and marketers to develop appropriate strategies to increase customers' intention to act in their respective sectors.

Since this study is paving the way for researching on PLS in Ethiopia, other researchers will be interested to further study on the product. The findings of this study may contribute to and/or complement the already existing body of knowledge and literature on the relationship between lottery-linked saving promotions and consumers' saving

behavior. The findings of the study may also serve as an input for SWOT analysis and marketing plan preparation of the banking industry in Ethiopia.

1.6. Scope of the Study

The study focused on assessing the effect of Prize-Linked Saving promotion on customers' saving behavior in Commercial Bank of Ethiopia. Considering available time, financial, and manpower resources, this study was conducted in some randomly selected branches under four districts, namely East, West, North and South Addis Ababa Districts-districts those majority of their branches are located in and around Addis Ababa city and areas where most giant businesses of the country like multinational companies, huge market centers, industry zones, many factories, different resorts and star hotels that contribute boldly for the country's economy found. In relation to variable delimitation, the study focused on assessing the effect of Prize-Linked Saving program on consumers' intention to save behavior in some selected branches of Commercial Bank of Ethiopia.

Methodologically, the study was focused on **25** randomly selected branches among those found under target districts. The data were collected from **379** sampled customers through structured questionnaire in order to assess the effect of PLS in terms of awareness, credibility, emotional affect (hedonic value), social compliance and utilitarian value on intention to save in Commercial Bank of Ethiopia. Concerning temporal delimitation, the study was conducted between May, 01 and September 10, 2018.

Theoretically, the study focuses on assessing the effect of the independent variable i.e. PLS promotion on the dependent variable that is customers' intention to save since its introduction in CBE. In other words, the study has tried to explain the change in intention concerning saving as a result of PLS promotion in CBE since its adoption to Ethiopia by 2012 from the view point of customers. Sub dimensions of the independent variables used to assess the effect of PLS on intention to save were awareness, credibility, and social compliance, hedonic and utilitarian values. Therefore, theories of utility, hedonism, social norms and the like are incorporated in this study.

1.7. Limitations of the Study

There is a reservation of some rooms for limitations of the study. The first limitation emanates from the complexity associated with exactly measuring the effects of PLS program on bank's performance since many factors interfere and contribute alongside PLS, including aggressive advertizing, bank's longstanding strong image, service-excellence, positive word of mouth communications from satisfied customers, branch expansion, and different publicities and public relations efforts of the bank.

The second limitation of the study is that the study assessed the effect of PLS on intention to save regarding five dimensions of PLS namely awareness, credibility, emotional affect (hedonic value), social compliance and utilitarian value only from the point of view of customers; based on their perceptions, experiences and evaluations. Thus the supply side analysis was not included.

1.8. Definition of Terms

The following are key terms and their definitions used in this study:

Advertising: Philip Kotler and Kevin Lane Keller (2012) defined it as "any paid form of non-personal presentation and promotion of ideas, goods or services from the sponsor evident by the print media (newspapers and magazines), telecommunications (radio and television), network communications (telephone, cable, satellite, wireless), electronic media (audiotape, videotape, videodisk, CD-ROM, web page), and display media (billboards, signs, posters)". It is an impersonal form of mass communication, which offers a high degree of control of those responsible for the preparation and implementation of promotional messages.

Bank: Literally, a bank is a company that focuses on accepting deposits from the public for the purpose of lending and investing. According to CBE's CATS training Manual (2015c), "a bank is a lawful organization, which accepts deposits that can be withdrawn on demand. It also lends money to individuals and business houses that need it". It can also be defined as an a financial institution which accepts money from the public for the purpose of lending or investment repayable on demand or otherwise withdrawable by

cheques, drafts order or otherwise." In this study the term "bank" simply represents Commercial Bank of Ethiopia.

Coupon: an identification number, either in the form print-out or electronic SMS, given for the customer for the proof of eligibility for participating in PLS lottery drawing (CBE 2012).

Customer: shall mean a legal person or natural person with whom the bank agrees to conduct business (CBE 2018b). Particularly, a customer is any person who has opened any saving account in Commercial Bank of Ethiopia (researcher's perception as per the study);

Non-savers: Individuals who reported that they were not regular savers before they participated in Save-to-Win promotion (CBE 2015b);

Prize-linked saving: Tufano and Schneider (2007) consider prize-linked savings as a program that could make saving exciting, by leveraging the excitement generated by gambling and lotteries;

Saving**:** The business dictionary (www.businessdictionary.com) defines savings as the portion of disposable income not spent on the consumption of consumer goods, but accumulated or invested – directly in capital equipment, by paying off a home mortgage or indirectly through the purchase of securities.

Credibility**:** Lassar et al., (1995) define Credibility as the confidence a consumer places in the firm and the firm's communications and as to whether the firm's actions would be inthe consumer's interest. Consumers place high value in the brands that they trust.

Utilitarian value: Lassar et al., (1995), explain perceived value as the utilitarian brand utility relative to its costs, assessed by the consumer and based on simultaneous considerations of what is received and what is given up to receive it. Consumer choice of a brand depends on a perceived balance between the price of a product and all its utilities (Lassar et al., 1995). A consumer is willing to pay premium prices due to the higher brand equity (Aaker, 1993).

1.9. Organization of the Study

This research report has five chapters. Chapter one presents the introduction part, which contains back ground of the study, statement of the problem, research questions, objectives of the study, scope & limitations of the study and significance of the research paper. Chapter two presents the reviewed literature, Chapter three presents research methodology, the research results and discussion is presented in chapter four. The final part, chapter five, summarizes the findings, conclusions, and forwards some recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

Under this section, some reviewed related literatures are discussed under theoretical and empirical literatures. Conceptual framework of the study is also established under the chapter. Finally, research hypotheses are derived from the problem stated and literatures reviewed on the topic.

2.1. Theoretical Literature

Under this section some major theoretical bases for the study are discussed. Accordingly, overview of the concept of PLS, its brief history, its implications, its motives and its dimensions are discussed briefly. Secondly, customers' intention to save and major determinants of intention to save are explained. Finally, the relationship that exists between PLS promotion and customers' intention to save is addressed based on existing literatures.

2.1.1. The Concept of Prize-Linked Saving (PLS)

According to Kowalski (2015), in recent years, insights derived from behavioral economics have been applied to a variety of policy fields. In particular, behavioral policy design has been explored as a tool to increase savings (Benartzi and Thaler 2004; Choi et al. 2001). Low levels of saving continues to be a policy concern as they can have severe effects on households that, in the face of unexpected income shocks, need to draw on their savings to maintain consumption. This is especially true for low-income households with limited possibilities of drawing on existing wealth or credit. Similarly, a large majority of individuals report to be saving too little, and standard life cycle theories of savings cannot account for an empirically observed decrease in consumption after retirement, suggesting that consumption largely tracks income (Gruber 2007). That is why lottery linked accounts like Prize-Linked Savings (PLS) accounts attracted considerable attention in recent years.

2.1.1.1. Overview of Prize-Linked Saving (PLS)

Prize-linked savings accounts (PLS) are deposit accounts that, instead of (or in addition to) paying out a fixed amount of regular interest, allow deposit holders to enter a prize draw by depositing savings, giving them the chance to win a large sum of money (Guillen and Tschoegl 2002; Guryan et al. 2010; D2D 2013). Prize-linked savings accounts introduce a lottery element to savings, as they distribute the pooled interest of all account holders through a raffle, offering a probabilistic return on the money deposited in the account (Kowalski 2015). Prize money is awarded from a prize fund, which may either be determined by the issuer ex-ante or be determined as a function of the amount and volume of deposits made in the period prior to each draw. As such, holding money in a prize-linked account can be thought of as buying a lottery ticket (Guryan et al., 2010).

However, the product is different from a lottery ticket by the fact that depositors keep their principal, or deposits. Their deposit is returned to them either at maturity of the product or on demand, which incurs a penalty. Thus, the price of the lottery ticket is not lost. The prize structure of PLS accounts can vary. Interest may be allocated either entirely through the raffle or partly through a lottery element and the pay out of a regular interest (Pfiffelmann and Roger, 2005). Furthermore, as part of the prize structure, the odds of winning, the amount and nature of prizes, and the frequency of prize draws are each determined individually, defining each product's expected return. Finally, prize-linked accounts often have minimum deposit requirements in terms of the money that has to be held, as well as the length that deposits have to be held for in order to qualify for entering the prize draw.

PLS account holders face no risk of losing their principal, which is equivalent to the money deposited in the account. However, they may, or may not, willingly forgo the interest paid on a regular account in favor of the probabilistic allocation of a large coupon. The prize-linked savings mechanism combines the elements of a traditional savings account and a lottery (Kearney et al 2010). Like lottery, it offers chances that promise to give bigger prize but unlike lottery PLS keeps the principal investment intact while the interest rate depends on the issuers' decision.

The salient attributes that distinguish lottery from other gambling are the relatively low likelihood of winning and lower payout ratio compared with of the total revenue (Ariyabuddhiphongs, 2010). Playing lottery inherently yields low expected value than the purchasing price of lottery. As a result, researchers frequently quest the rationality of economic agents participating in gambling and suppose other motives than mere economic returns. Another distinctive feature is that gambling has high probability of risk and low odds of winning, and yet a considerable number of people continue to participate in such gambling or lotteries.

Unlike other lotteries, prize-linked savings is a zero risk of losing one's principal investment although in some countries depositors may forfeit interest partially or (exception to some PLS experiences). The prize-linked saving account rather yields much more benefits provided that it enables account holders to earn the standard interest rate on deposits on top of making them eligible to obtain the chance for taking part in the lottery. That is gambling with risk of no loss and with a positive probability of winning a big sum of money. Contrary to all other gambling, the expected value of PLS is above its purchasing price, that is why researchers denote Prize-Linked Savings as 'heads you win and tails you don't lose' (Tufano & Schneider, 2008). Thus, PLS blends both economic and other motives, making them irreplaceable choices for any rational economic agent.

The main idea is based on people willing to forgo the certain interest injections (with exception to some PLS experiences) for the opportunity to gamble. The sacrificed interest payments are then collected and allocated to the common pool. Exceptionally, some financial institutions pay interest on PLS scheme by introducing PLS with existing saving products as a short term promotion campaign to boost saving. These funds are eventually distributed to the account holders via a lottery mechanism, taking place in regular time intervals - usually at the end of the month or round.

2.1.1.2. Motives for Prize-Linked Saving (PLS)

The return on a prize-linked savings account is random in contrast to the fixed interest received on a regular savings account. An individual's utility derived from holding a prize-linked account would conventionally be determined using expected utility theory,

which models decision-making under risk and uncertainty. The model assigns each individual a utility function characterizing the individual's risk attitudes. The utility function is often assumed to be concave, indicating risk aversion (Pfiffelmann, 2007). However, empirically, a number of observed behaviors regarding risk-seeking and risk-aversion, and consequently attitudes towards insurance and gambling in the same individual, have been left unexplained by the theory (Kowalski 2015).

Similarly, the prevalence of prize linked savings products is inconsistent with, and cannot be explained by, rational agent modeling. Even when the expected value of winning of a prize-linked account is set equal to the interest rate an individual would otherwise receive on a regular savings account, the typical risk-averse individual would always prefer the fixed interest over the stochastic return (Pfiffelmann, 2007).

To date, there is no systematic empirical evidence on the effect of prize-linked accounts on total savings of individuals, which is crucial in determining the validity and effectiveness of introducing prize-linked savings products as a policy tool. Authors have only presented indirect evidence with the main focus on potential demand for prize-linked accounts (Guryan et al., 2010). One particular element of the product, the skewness in the prize structure and its empirically observed effect on uptake rates, however, has persistently been emphasized, providing indicative evidence for the biases explored previously.

Tufano (2008) finds that the size of the maximum prize for UK Premium Bonds has a strong positive impact on per capita net sales. Rayner (1969) similarly finds a positive effect of a rise in the size of the largest prize in the 1960s on sales (cited in Kowalski 2015). Finally, Hölzl and Lobe (2007) in a time series analysis using monthly net sales of premium bonds between 1969-2006 shows that prize skewness is a key driver of net sales (ibid).

As part of the indirect empirical evidence provided by the literature in support of the potential demand for prize linked products, especially among low-income households, PLS products due to their lottery elements have been predicted to mirror empirically observed behavior towards gambling (Guryan et al., 2010). Gambling has been shown to

enjoy popularity across different subpopulations irrespective of sex, race or education and income levels, though lower-income households spend a higher fraction of their income on gambling (Kearney, 2002).

Lotteries have further been characterized as one of the few 'assets' that offer lower-income households the chance to make an extremely high return, otherwise unavailable due to their economic and social standing (Guryan et al. 2010; Haisley et al. 2008). A similar appeal of a product where returns are determined by chance has been attributed to prize-linked savings products (Guryan et al., 2010). Support for the argument that lottery elements may encourage lower-income households to save has further been derived from empirical observations related to UK premium bonds (Tufano, 2008; Guryan et al., 2010).

The UK Family Resources Survey lists premium bonds as one of the assets owned by households. Based on the survey, Guryan et al. (2010) determine the popularity of premium bonds relative to other assets in different income brackets. This is done by scaling the prevalence of premium bonds among households in different income groups (measured as the fraction of households who own them) by the prevalence of the most widely held asset in that income bracket.

2.1.1.3. Brief History of Prize-Linked Saving

Prize-linked savings programs have existed since at least the 1694 'Million Adventure' in the United Kingdom (Murphy 2005). Initially proposed to cope with debt from the Nine Years' War (1689-97), the Million Adventure offered 100,000 tickets at £10 each (Kearney et al 2010). A small number, i.e., 2,500 of the tickets (2.5 percent), would win prizes from £10 per year to £1,000 per year for 16 years. The Million Adventure was also a saving program, in that it paid ticket holders a £1 per year until 1710, or a 6.15 percent annual return. While a single ticket in the Million Adventure was out of reach of most citizens, tickets were also made available through syndicates to those with small incomes.

Thomas Neale, the 'Groom Porter to their Majesties' who oversaw the program, commented on the success of the Million Adventure to attract even small investors, 'many Thousands who only have small sums, and cannot now bring them into the Public,

[may now] engage themselves in this Fund' (Murphy 2005, p. 231). The Million Adventure is reported to have attracted tens of thousands of investors (of the five to six million Britons at the time) making it an unprecedented large-scale financial saving tool.

Since 1694, many similar programs that combine gambling and savings have sprung up in many different countries all over the world. Levy-Ullmann, writing in 1896, surveyed PLS activity at that time. He found that PLS, in the form of lottery bonds 'may be found in most of the financial markets of Europe, and of nationalities, German, Austrian, Spanish, Greek, Italian, Swedish and Swiss' (Levy-Ullman 1896, cited in Kearney et al 2010). Lottery bonds are still used in some countries, for example Sweden.

2.1.1.4. The Potential Appeal of Prize-Linked Savings

A consensus has emerged among academics and policy-makers those traditional vehicles for increasing saving are not generally successful at raising saving by individuals at the lower end of the wealth distribution. Recent initiatives such as the Saver's Credit and Individual Development Accounts, which use matching funds as an additional enticement to save, are promising but require substantial government financial support (Tufano and Schneider 2008).

The promotion of prize-linked saving products takes seriously the idea that potential savers place a high value on the chance to 'win big' (ibid). While delivering higher returns, for example, higher rates of return or interest may increase demand; psychological factors can be a potent stimulator of demand as well (Tufano 2008). Researchers in behavioral economics and behavioral finance are finding that certain systematic psychological biases can explain a great deal of consumer decisions. In this instance, the popularity of the PLS product may lie in its blend of the guarantee of no principal loss with a large, but low probability gain.

PLS accounts are a textbook application of certain behavioral economics principles (ibid). In particular, the product structure is engineered to appeal to people who are "loss averse," i.e., who will pay more to avoid a loss than to guarantee a gain of the same size. In particular, the PLS product guarantees no principal loss. However, unlike the

traditional products that guarantees no principal loss (such as bank deposits, Cash Deposits, bonds), PLS leverages the behavioral phenomena that investors may avoid large gambles, but will take on small ones, in this case, the forgone interest on their invested funds. Finally, PLS reflects the behavioral factor that people often misestimate the probabilities of low-probability events (e.g. accidents or winning gambles).

The popularity of PLS products also reflects their functional properties. Alternative products with no principal loss and good liquidity are typically low-yielding demand deposit accounts. The power of compound interest provides little incentives to savers with short and uncertain savings horizons and small principal balances that generate meager amounts of interest. According to Tufano et al (2008), instead of receiving a certain but small payout, the PLS saver gets a small chance at a large payoff. Moreover, bankers offering prize-linked savings around the globe suggested that PLS products might particularly appeal to "non-savers," (i.e., those who had not previously been attracted to existing savings or investing products). Consistent to this Guillén and Tschoegl (2002) conclude that PLS products are especially successful with low-income depositors. In these simple cuts, the product was most demanded among people with fewer savings.

A number of other factors might relate to the demand for PLS. A number of authors have found that financial decision making varies with education, age and gender. These traits may capture a variety of factors, ranging from financial sophistication, risk taking, or unobserved long-run wealth and income. Tufano, Maynard & De Neve (2008) found out that there is slightly stronger demand among younger persons, men, employed people and less educated persons.

2.1.1.5. PLS in Commercial Bank of Ethiopia

The low level of saving in low income and even middle income communities is a major obstacle to achieve the goal of economic development in developing countries like Ethiopia where a significant segment of their population lives in a low income bracket. To strengthen economic opportunity, it is necessary to promote the habit of saving. In addition to the financial education of savings opportunities, economic incentives are important to meet that goal. Thus, Prize-Linked Savings (PLS) is a proven savings

strategy that encourages everyday consumers to save more money through prizes and incentives. It is attractive to customers as it functions both as a lottery and as savings. Considering this, the CBE launched the PLS program in April 2012 to foster households and individual saving habits, and boost the deposit base of the bank (CBE 2012).

PLS scheme introduced by CBE, as "Save-to-Win" promotion, usually offers item based consumer goods like Cars, apartments, Laptops, Televisions, smart phones, water pumps, three wheel vehicles (Bajaj), and other products for prize. The program runs once a year for six months period. National Lottery Administration takes the responsibility of managing the prize drawing procedures of the scheme. Prizes are evenly offered across districts. The prize draw takes place once a year only at the end of the period. The program is improving both in prizes offered and couponing system. Since the fifth round the bank introduced system generated coupon system which enables lottery coupon identification numbers reach participant through SMS. Currently, the program is running for the 7^{th} round since 2012.

Generally, PLS scheme adopted by CBE has some unique features from other countries' PLS accounts. First, PLS of CBE applies to existing saving products without the necessity of designing unique PLS product. Moreover, unlike most other countries experience, CBE's PLS program pays interest to participants. Finally, CBE's PLS scheme runs for limited period in a year. This feature makes it to be seen as a short term sales promotion strategy complementing the overall deposit mobilization strategy than an identified deposit product. The overall objective of CBE's Save-to-Win promotion is to enhance the saving culture of the society the awareness creation on the importance of saving (CBE 2012). The minimum deposit amount needed to participate in PLS is 500 Birr. In order to qualify for prize drawing, amount deposited for the purpose of being eligible for prize coupon of PLS scheme should not be withdrawn until the period elapses.

2.1.2. The Concept of Customers' Intention to Save

Saving can be defined as the portion of disposable income not spent on the consumption of consumer goods, but accumulated or invested – directly in capital equipment, by paying off a home mortgage or indirectly through the purchase of securities

(businessdictionary.com). The other form of saving is through putting money aside by saving it in a bank or financial services provider, investing in a pension plan or in other forms of income, generating investments.

In recent years, economists, international organizations, and governments in developing countries have placed increasing emphasis on the mobilization of deposits, not only to increase domestic savings, to achieve sustained economic growth and development but also to strengthen domestic financial intermediaries. There is enormous variation across individuals in terms of wealth accumulated at retirement age, even among those with relatively similar lifetime incomes. Researchers have found that this variation cannot easily be explained by “chance" events (e.g., inheritances, health status) or by asset allocation choices. Instead, savings behavior, i.e., the choice to save or spend earlier in life, seems to be a much more important determinant of variation in wealth accumulation. This section highlights the concept of saving, factors determining saving and the saving continuum (Cronqvist and Siegel 2010).

2.1.2.1. Determinants of Intention to Save

Saving determining factors are generally categorized under demographic, social and economic factors. Thus, under this sub topic the highlight of the review on the relationship of age, gender, education, income and work status with saving behavior are discussed as follows.

Age and Saving Behavior: The cornerstone of the life-cycle hypothesis is age-related consumer heterogeneity and the prediction that saving follows a hump-shaped pattern (that is, high at middle age and low at young and old ages). Research has shown that this hypothesis is not problem-free when it comes to interpreting actual saving behavior. Life-cycle saving is not sufficient to account for the high level of aggregate wealth in industrial economies (Kotlikoff and Summers 1981). Elderly people save or at least do not dis-save as much as predicted by the life-cycle hypothesis (Deaton and Paxson 1994; Poterba 1995), and consumers appear to value bequests (Menchik and David 1983).

Some research studies such as Bovenberg and Evant (1990) shows that the higher the old aged population in the nation the lower is the saving rate in the economy. This study is

inconsistent with the study of Foley and Pyle (2005) which concluded that the young and elder population saves more than the middle aged population but another study such as Attanasio (1997) shows individual's age is expected to be negatively correlated with the saving which is the older people saves less and the younger people save more.

Gender and Saving Behavior: Empirical studies in Netherlands by Kalwij (2003), Canada by Gagnon et al (2006) and Uganda by Kiiza and Pederson (2002) shows that female households had better saving behavior than males because of the developed life style by the community and they are expected to cover the principal household consumption and costs in any social interaction where as in the other empirical study in Philippines by Bersales and Mapa (2006) shows that male households had better saving habits because the female has no power to control income even their own income.

Education Level and Saving Behavior: Following endogenous growth theory, education has been included as a proxy for human development which increases the human productivity and capabilities, thereby increasing personal income as well as savings (Zhang et al. 2003). This is the indirect positive effect of education on saving through increased income. On the contrary, Kulikov et al. (2007) found that education as a human wealth ensures employability and stability of income and, hence, it can have negative impact on saving. Education can affect saving directly through financial literacy. Higher financial literacy also will result in higher saving (Browning and Lusardi, 1996). Financial literacy enable people to know the risk and return characteristics of different financial products and it also enable them to understand the complex procedures used in accessing financial products.

Work status and Saving Behavior: Some empirical studies such as Sinha (1998), Muradoglu and Taskin (1996) shows that self employed household has consistent saving because they have fear of work uncertainty in the future whereas other studies such as Mosk (2010) show that the employed household has consistent saving because of their constant income. Therefore, household work status directly affects household saving in terms of income certainty.

Household income level and saving behavior: Keynes (1936) developed the absolute income hypothesis. The theory posits positive relationship between absolute income and

saving. Such proposition is supported by much empirical evidence. This finding is consistent with the view that saving rise after income exceeds subsistence consumption.

2.1.2.2. The Saving Continuum: From Coercion to Exciting Saving

At one extreme, families may not save because they simply do not have the financial resources after caring for necessities. In these instances, outright transfers may be necessary to create savings or one might force families to save through government coercion. Short of coercion, other innovations may make it easier to save, or harder not to save. Still other families may have the potential ability to save, but may not value savings enough. In these instances, innovations may increase the benefits of saving, either by adding monetary incentives, social incentives, or psychological incentives.

Whether they coerce savings, make it difficult to avoid, easy to engage in, or financially lucrative, most of these innovations (perhaps with the exception of group saving) still require that people believe that savings would help them. This is not necessarily an unfair requirement. Americans do seem to desire saving, most can rattle off a list of saving goals and many own some kind of savings product (Bucks, Kennickell, and Moore 2006). But, a bigger challenge is to find savings products that don't require that people particularly want to save. More boldly, can one create savings products where people save because they simply enjoy it? Is it possible to make savings exciting, even addictive?

Categorizing savings programs on a spectrum from coercive to exciting, Tufano and Schneider (2007) consider prize-linked savings a program that could make saving exciting, by leveraging the excitement generated by gambling and lotteries. This overlap between prize-linked savings and lotteries is important as survey results show that low income American families believe they are more likely to build wealth by playing the lottery than by traditional saving with compound interest (ibid).

2.1.3. Prize-Linked Saving and Customers' Intention to Save

Many households have insufficient savings to handle moderate and routine consumption shocks. Many of these financially fragile households also have the highest lottery expenditures as a proportion of income (Tufano et al 2011). According to Tufano and

Schneider (2008) a consensus has emerged among academics and policymakers that traditional vehicles for increasing saving are not generally successful at raising saving by individuals at the lower end of the wealth distribution. In developing countries, 55% of adults do not have a bank account (Demirgüç-Kunt et al. 2015). This combination suggests that Prize-Linked Savings (PLS) accounts, that combine principal-security with lottery-type jackpots, can increase savings among these at-risk households.

The promotion of PLS products takes seriously the idea that potential savers place a high value on the chance to 'win big'. The attractiveness of a PLS mechanism to potential buyers of such products has already been proved by several examples from around the world. One of the flagship examples here are the so-called Premium Bonds. The program was launched by the British government in 1956, and is running until now. Its leading aim was to increase the overall savings rate among British households following the end of World War 2. According to statistics, in addition to having achieved this objective, the program is actually successful enough to currently engage over 21 million bondholders. As a result, the overall value of liabilities arisen from the Premium Bond investments constitutes the highest among all the products offered by NS&I, and currently exceeds £54 billion (Kaliciak 2015).

Another well-known example of a PLS program is Million a Month Account (MaMA). It had been in operation by the First National Bank of South Africa during years 2005-2008, offering a 0.25 percent as a nominal interest rate along with monthly lottery draws of financial prizes. The bank was forced to close the offer though after having been sued by the National Lottery Board. Despite the legal issues associated with the lottery component of MaMA program, its implementation appeared successful - the overall level of savings was raised by as much as 38% with respect to its mean value (Cole et al 2014). Furthermore, according to the research, this new banking product was purchased in a vast majority by both financially constrained individuals as well as those that had been holding no deposits before, what is consistent with results obtained from the experimental studies (Atalay et al 2014).

In general, the existing research allows for thinking of the PLS mechanism as a potentially effective, but underestimated tool for encouraging people to save more. In

addition, it appears to be the most cost-effective among the policies introduced thus far in the form of financial incentives (Kearney et al. 2010). As far as the previous research in the area is concerned though, the major work has been conducted very recently, still leaving some important questions unanswered.

2.2. Empirical Literature

This section shortly highlights some selected countries' experiences of PLS and its effect on saving and the findings of selected previous researches conducted by different authors on the potentiality, effect and implementation of prize-linked saving program.

2.2.1. Countries' Experience of PLS Accounts

Prize-linked saving accounts have recorded successful achievements in terms of attracting new accounts and rising volume of deposits across many countries, both in the developed and developing economies. According to country experiences, the targets of prize-linked saving accounts encompass low-income, non-savers, lottery players or gamblers and many optimist individuals. Irrespective of the disparity on the stage of the economic development between countries, most of the empirical studies reported that low-income class and the unbanked segment of the public are the prime users of the prize-linked saving products (Gullen&Tschoegl, 2002; Vitello, 2011).

This is so because though largely temped by the big payout, low-income segments of the society are risk-averse that is they do not afford losing the principal investment while at the same time they are the ones who often allocate larger share of their income on lottery than high income people. Moreover, players usually prefer skewness of prizes meaning that a few grand prizes at the top of the pyramid with numerous small value prizes at the bottom. Highlight of the experiences of a few countries are presented briefly below.

i. The United Kingdom: The "Million Adventure"

The British invented the first PLS account more than 300 years ago with the "Million Adventure" program in 1694 as a way to pay down its debt from the Nine Years' War between1689-97 (Kearney et al 2010). At the time, the Million Adventure program

attracted tens of thousands of investors from the five to six million British citizens. Today, the Million Adventure program has long been replaced by the U.K. Premium Bond program attracting between 22-40% of U.K. citizens investing upwards of £40 billion in 2008 (Vitello 2011).

The Premium Bond program of the U.K. differentiated but maintaining identical attributes like the prize-linked saving products had a tremendous achievements in mobilizing £40 billion during 1994-2008 (Kearney et al 2008). In lieu of the bond yield, the government offered purchasers of the bond a chance of a lottery prizes for each £1 after meeting the minimum balance of £100 bond. The program offered prizes of small value ranging from £25 to £100,000 and a jackpot of £1.0 million by drawing 1.2 million raffle prizes every month. Like the above stories, the UK premium bond project had succeeded in enticing and encouraging largely the low-income class (Vitello, 2011; Tufano & Schneider, 2008). The premium bond did not pay the interest rate. Rather, the interest rate foregone determined the prize size, the number of jackpots and other prizes as well as the probability of winning (Kearney et al, 2010). In this case, participants gamble between forfeiting the yield of bonds and the chance of winning big prizes. Buyers of the bond did not redeem even after losing the bet. They rather kept the bonds they purchased as saving.

ii. The United States of America: "Save-to-Win"

The prize-linked savings program has recorded a success story in the Michigan State of the USA. Credit unions had attracted 16,833 accounts and had mobilized $28.1 million in one year time after the introduction of lottery based deposit accounts in 2009 (Vitello 2011). Looking at the socio-economic factors of the participants, notably people who lack the commitment of regular saving and never deposit before the program were 56%against 44% of regular savers. At the same time, the PLS had enticed more participants from low-to-middle income households (44%) and those who own low (financial) wealth (39%) than those better-off. The "save to win" program makes $25 deposit eligible to earn one coupon of the lottery; and offers a grand prize of $100,000 once a year and numerous small value prizes every month (ibid). Besides, the saving account earns both the market deposit rate and a chance of winning lottery prizes.

iii. South Africa- Million a Month Account (MaMA)

The lottery-based deposit account dubbed as Million a Month Account (MaMA) run since 2005 by the First National Bank (FNB) in South Africa is another exemplary success that targeted to link the underserved black South African with formal banks. From the FNB side, raising its market share which was felt to be behind competitors by its executive management, and repositioning itself were the key objectives (Tufano 2011). Before commencing, the FNB established a team to manage the PLS project. The team made important decisions to introduce the PLS including the design of the product, structure of the prizes, defined target populations and the marketing strategies.

It was decided that all traditional accounts with a 32-days early notice of withdrawal were allowed to participate in the lottery. The scheme was opened to any interested including existing and new accounts holders as gaining market share and attracting new customers was the other objective of the bank. With regard to the structure of the prizes, it was decided that there must be large prize that makes a headline in the media with some other medium to small valued prizes. Strong marketing strategy was felt by the team as key to the success of the program.

The program utilized aggressive promotions through TV, printed Medias and branch level promotions. The draws were publicized through the TV and published in leading newspapers. FNB employees (excluding member of the team) were initially encouraged to participate in the program. A private accounting firm was hired to conduct the draw- which appears to be essential not only for the skill but also for its independence and promoting of confidence of the public on the program. The program which lasted three years had mobilized around 1.1 million new accounts and succeeded in raising 1.4 billion rand. A deposit of 100 rand makes eligible for one entry into the lottery of various value prizes. The accounts earned an interest rate of 0.25% and were exempted from fees. Drawings of 114 prizes ranging from 1000 to 1.0 million rand hand been held every month (Kearney, 2010).

Two critical outcomes should be underscored about MaMA's project. First, the prize-linked program was able to attract 7.1% of the previously banked residents and 1.1% of

the unbanked South Africans. Of the 1.1 million accounts opened, 12% constituted the share of the unbanked depositors. Moreover, 53% of the accounts opened under this program had been sustained actively even after the program was phased out and 83% of their respective saving amounts were retained with the bank (Vitello 2011).

iv. Latin American Countries

Several Latin American countries offer PLS accounts including Venezuela, Colombia, Mexico, and Argentina. Prize-linked saving products introduced by a bank in Venezuela had opened 697,000 accounts with corresponding deposit mobilization of $646 million in one year. Similar program in Mexico which lasted for two years enabled a bank to mobilize 485,000 lottery-based accounts and generated $178 million (ibid). About the same number of accounts and deposits were registered in just one year in Columbia as well. The lottery drawings were carried out daily for prizes of a car and $20,000. Grand prizes were $250,000 and 220,000that were drawn on monthly basis. In this region, these products earned pretty lower rate of interest rate than the traditional saving products (Tufano& Schneider, 2008).

Table 2.1: Outcomes of lottery based deposit accounts in Latin America

Country	No. of accounts (000)	Total balance (US$ millions)	Value per account (US$)
Mexico	485	178	367
Colombia	462	205	443
Venezuela	697	642	921
Argentina	78	232	2949

Source: Gullen & Tschoegl (2002)

A sample of lottery-linked deposit accounts and prizes structure in Argentina of two banks that depicted that the minimum requirements of deposits receiving single entry ticket were US$ 200 and US$ 250, and the cost of the prizes relative to the total deposit accumulated were 0.1% and 0.13% respectively. Total monthly prizes ranged between US$662,000 and US$800,000 in the two banks, and on average, around 3.0 million chances of entry were offered every month.

2.2.2. Major Implications of Countries' Experience of PLS Accounts

Desk review research conducted by Commercial Bank of Ethiopia, Product Development and Brand Management sub-process (2015a), analyzed the following major implications. Despite minor differences in product design, duration of the programs and ownership of the project, the outcomes are similar - leading to some kind of universal inferences.

Prize-linked saving blending both prudence and fun attributes to entice the vast population, but notably it has substantially attracted the low-income group and unbanked segments of the population. The experiences of several countries have consolidated uniformly the viability of prize-linked saving in terms of mobilizing sizable amount of deposits and expanding customer bases. It also succeeded in instilling saving habit and retaining most of the clients post-program in both developed and developing economies. Participants of lottery bonds did not reclaim their principals even after losing the winning. The empirical evidence confirms the claim that low-income people perceive lottery gambling as the only means of getting rich. They often tend to consider gambling as substitute to saving which as a result allocate larger proportion of their wealth on lotteries than the other income groups.

Prize-linked products are promotional instruments than substitutes to conventional saving accounts. Aggressive marketing is vital to retain participants' excitements and prevent it from deteriorating once it is started. Prize-linked savings have been more effective in inducing saving in countries of low saving ratio and low per capita deposit accounts. PLS schemes are introduced in many of the countries with a well organized project team that manages from design to implementation of the program.

The lottery structures and compositions matter. That is the optimal probability of winning, the prizes composition like the jackpot size and presence of ancillary multiple small prizes are very essential. The incentive of buyers is skewness of prizes. Sales rise significantly in response to a grand prize. Many small valued prizes are also indispensable to sustain participants by giving them relief from exhaustion or fatigue of low odds of winning and retaining their cheerfulness throughout the program;

Most of the prize-linked savings earn lower interest rate than the regular saving accounts. This however depends on countries' monetary regulations. In our case this is not feasible given the minimum saving deposit rate that is set by NBE is the applicable one. On the ither hand, differentiation of the saving accounts and features of prizes assigned have equivalent impacts on influencing the outcome. Lottery based accounts entail inherently economies of scale advantages. Large banks are more effective than small banks in effectively taking advantage of PLS schemes. Increasing the number of grand prizes in exchange for less medium value prizes is a viable scheme. Generally, participants prefer the low probability of more grand prizes than greater probability of winning small sized prizes.

2.2.3. Empirical Findings from Previous Researches

Tufano (2008) analyzed UK bonds that have PLS like characteristic. The paper shows that: Both gambling and saving motives play a role in purchase of UK PLS bonds, and also demand for PLS positively correlated with demands for lotteries. Similarly, Guillen and Tschoegl (2002) studied Latin American programs and found that low-income populations and unbanked people expressed higher interest in products like PLS. Moreover, Maynard et al (2008) conducted a survey of low income Americans and found that 58% expressed positive interest in prize linked savings. Furthermore, they found that optimistic people, lottery players, non-savers, and the unbanked all expressed higher than average levels of interest.

Cole et al. (2014) conducted a field study on the Million a Month program at First National Bank in South Africa and found that it drew unbanked people into the banking system; PLS did not cannibalize on other savings, but substitute for lottery. Cookson (2014) analyzed the introduction of PLS in a Nebraska district, USA, and its findings were: Woman preferred PLS than men; People who are rich seem to prefer PLS (not clear). Ozbay et al (2013) conducted laboratory experiment on PLS and found that PLS increases deferred payment;

Atalay et al (2013) explores the introduction of a novel financial product, PLS, which exploits the broad appeal of lottery tickets to influence individuals' choice to save. By

using an online experiment, they examined the effect of the introduction of PLS on individuals' portfolio allocations. Their results showed that the introduction of PLS indeed increases total savings quite dramatically (on average by 12 percentage points), and that the demand for the PLS account comes from reductions in lottery expenditures as well as current consumption. Hence PLS leads to genuinely new savings, and even generates new savers. They further show that these results are stronger among participants with the lowest levels of savings and income, who are targeted by savings policies. Similar to this is non-savers are 70% more likely than savers to show interest in prize-linked savings (Tufano et al. 2011); Atalay et al. 2013))

Doorways-to-Dreams (D2D) (2015): Save to Win is the largest PLS program in America, which offers its product through 63 credit unions in 6 states. In their 2015 report the D2D fund reported that about 57% of surveyed new accountholders identified as non-savers. Gertler and Higgins (2017) conducted field experiment on the long term effects of PLS in Mexico. Their finding shows that temporary incentives created long-term changes in savings behavior for a substantial portion of those induced to open accounts by the lottery incentives;

Generally, much of the previous literatures also focus on the unique appeal and the resulting positive benefits of PLS. These programs consistently entice people to save more, act as a more prudent substitute good for gambling and the lottery, more appeal to low income society, and draw unbanked people into the financial system.

2.3. Conceptual Framework

Based on literatures reviewed and problems stated, the conceptual framework of the study is developed. According to this framework, the study intended to test the effect of PLS promotion on intention to save. PLS promotion, the subject under study, is proposed by the researcher to have five dimensions for the purpose of this study. These are awareness, credibility, emotional affect, social compliance and utilitarian value dimensions. These are briefly explained as follows:

Awareness: This dimension is concerned with the ability of PLS promotion in creating awareness about the importance and necessity of saving at bank. One of the major aims of PLS promotion is to create awareness about the saving and encouraging the unbanked society to be banked through providing incentives in the form of chances to win big (Martin 2012). According to CBE, PLS can be a more effective public education and marketing strategies than traditionally practiced ways. The main motives for introducing prize linked savings both from the national and corporate perspectives are: to foster households' and individuals' saving habits; to motivate households and individuals to make regular savings and become financially more secured; encourage unbanked residents to connect themselves with banking services;

Hypothesis 1: Customers' awareness has a positive and significant effect on customers' intention to save in CBE;

Table 2.2: Proposed Dimensions of PLS

Proposed dimensions of Prize Linked Saving				
Awareness	**Credibility**	**Emotional-Affect**	**Social compliance**	**Utilitarian value**
Create-awareness Importance of saving Need to save Think about saving Influence to increase saving	Reality of the scheme Reliability Transparency Guarantee of principal Prize delivery	Attractiveness Enjoyable Excitement Good feeling Likeability Element of fun	Social-acceptance Cultural-compliance Religious-acceptability	Convenience Additional-benefit Consumption-reduction Added value

Source: *Synthesized by researcher from literatures*

***Credibility*:** Lassar et al., (1995) define credibility as the confidence a consumer places in the firm and the firm's communications and as to whether the firm's actions would be in

the consumer's interest. Consumers place high value in the brands that they trust. In relation with PLS promotion of CBE, credibility can be defined as the level of trust customers might put on all procedures involved including coupon delivery, prize lottery drawing procedure and delivery of prizes as promised.

Hypothesis 2: There is significant and positive relationship between Credibility of PLS program and customers' intention to save in CBE;

Emotional affect /hedonic value/: Rokeach (1973) defined a value as "an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence". Hedonic value is defined as the value that a customer receives in terms of subjective experiences of fun and playfulness (Holbrook and Hirschman, 1982; Babin *et al*., 1994). These two customer values enable a more complete evaluation of a customer's interactive experience, and highlight important outcome variables in the consumption process (Babin *et al*., 1994).

Until the early 1970s, consumer studies limited the consumer value to the utilitarian point of view because, in a traditional view, consumers buy products due to purely necessity (Bloch and Bruce, 1984; Holbrook and Hirschman, 1982). However, researchers in 1980s extended their views on consumer shopping values that consumers are not only driven by functional needs but also by emotional needs (Babin, Darden, and Griffin, 1994). Hirschman and Holbrook (1982) posited that consumers are either "problem solvers" or "fun seekers." In other words, consumer shopping behavior can be viewed as an inclusive process stimulated by thoughts and senses that provide individuals with cognitive (utilitarian) and affective (hedonic) values. Overby and Lee (2006) defined hedonic value as "an overall assessment of experiential benefits and sacrifices, such as entertainment and escapism.

Hence, the fundamental difference between the two values is that utilitarian consumption values are more cognitively-driven, such as functional, instructional, practical, and task-oriented (Batra and Ahtola, 1990, Childers et al. 2001), whereas hedonic values are more emotionally-driven, such as experiential, pleasure, multisensory, and entertainment-

oriented (Overby and Lee, 2006; Nili, Delavari, Tavassoli and Barati, 2013). Thus, saving is described as an adventure for enjoyment and entertainment from the hedonic viewpoint (Hirschman and Holbrook, 1982).

Hypothesis 3: PLS promotion's Emotional Affect (hedonic value) has a positive and significant effect on customers' intention to save in CBE;

Social Compliance: This construct is also known as subjective norm as promoted by Theory of Reasoned Action (TRA) by Fishbein and Ajzen (1975). By definition, subjective norm can be defined as a person's perception that most people who are important to her or him should or should not perform the behavior in question (Fishbein and Ajzen, 1975). Several validations of TRA support the hypothesis that the approval or disapproval of a certain behavior coming from referent groups (friends, family, and colleagues) exerts a certain amount of pressure on the individual's intention to engage in such behavior. Thus, normative beliefs are a strong predictor of behavioral intention, together with attitude toward the behavior (Ajzen and Fishbein, 2005).

A number of potential explanations for gambling behavior stem from the theory of other-regarding preferences, the notion that one derives utility not only from consumption but from social factors such as relative income, class status, and the intentions of others. Such preferences can predict the gambling behavior empirically observed in segments of the population by including the social benefits of gambling; for example a rich person may participate in a national or charitable lottery because they feel good about contributing to public goods, a lower-income person may gamble because they would obtain disproportionate benefit by moving up a social class. PLS offers hope of alleviating both needs, one's social preferences driving a need for a chance at a life-changing sum, as well as the classical need for a savings buffer to smooth consumption.

Hypothesis 4: PLS promotion's social compliance has significant and positive effect on customers' intention to save in CBE;

Utilitarian value: Similarly, the benefits of PLS promotions can be classified as utilitarian when they help consumers maximize the utility, efficiency, and economy of their saving. Utilitarian value is defined as the value that a customer receives from the

functionality of a product purchased (Babin *et al*., 1994). Using these definitions, the savings, quality, and convenience benefits of sales promotions can be tentatively classified as utilitarian since they help consumers increase the acquisition utility of their purchase and enhance the efficiency of the shopping experience. On the other hand, the entertainment and exploration benefits of sales promotions can be tentatively classified as hedonic since they are intrinsically rewarding and related to experiential emotions, pleasure, and self-esteem. From the utilitarian perspective, saving is described as work, meaning that customers focus on saving money in an efficient and effortless manner to achieve objectives (Griffin, Babin, and Modianos, 2000; Fischer and Arnold, 1990; Sherry, McGrath, and Levy, 1993).

Hypothesis 5: There is significant and positive relationship between PLS promotion's utilitarian value and customers' intention to save in CBE;

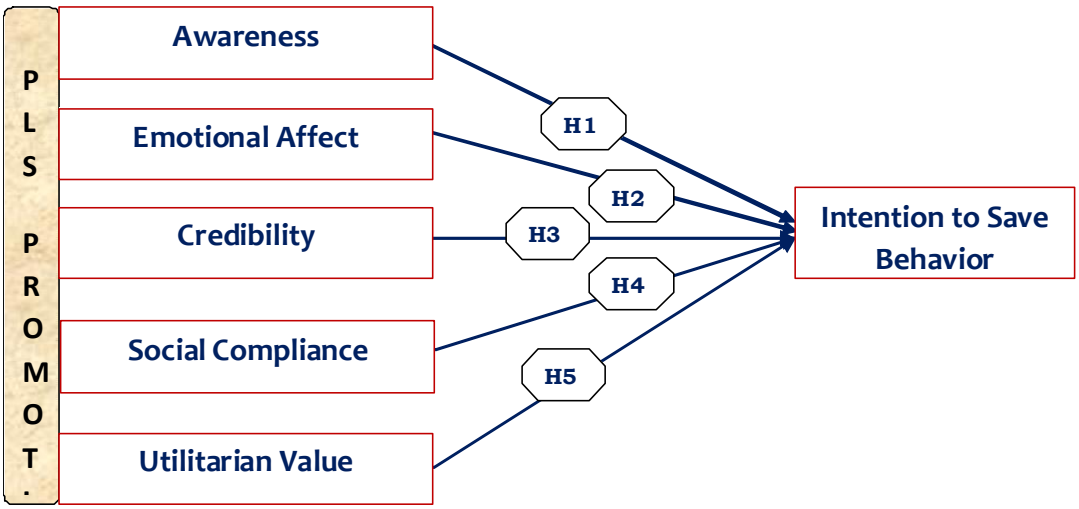
To summarize once, according to Martin Kanz (2012), PLS is important for creating awareness about saving. Babin et al (1994). Lassar et al., (1995) define credibility as the confidence a consumer places in the firm and the firm's communications and as to whether the firm's actions would be in the consumer's interest. Consumers place high value in the brands that they trust. In relation with PLS promotion of CBE, credibility can be defined as the level of trust customers might put on all procedures involved including coupon delivery, prize lottery drawing procedure and delivery of prizes as promised.

Emotional affect (Hedonic value) is defined as the value that a customer receives in terms of subjective experiences of fun and playfulness (Holbrook and Hirschman, 1982; Babin *et al*., 1994). As PLS is supposed to have incorporated a fun element (Tufano 2008; Atalay et al 2014), the role of PLS in affecting customers' emotions is examined as one dimension in this study.

Moreover, a number of potential explanations for gambling behavior stem from the theory of other-regarding preferences, the notion that one derives utility not only from consumption but from social factors such as class status (Friedman and Savage 1948 cited in Per Binde 2009), and the intentions of others (Charness and Rabin, 2002 cited in Per Binde 2009). Such preferences can predict the gambling behavior empirically observed in

segments of the population by including the social benefits of gambling. This construct is also known as subjective norm as promoted by Theory of Reasoned Action (TRA) by Fishbein and Ajzen (1975).

Figure 2.1: Conceptual framework of the study



***Sources**: Synthesized by researcher from Babin et al (1994), Rokeach (1973), Holbrook & Hirschman (1982),Fishbein &Ajzein (1975), Fisher & Arnold (1990), Lassar et al (1995), and Martin, Kanz (2012)*

By definition, subjective norm can be defined as a person's perception that most people who are important to her or him should or should not perform the behavior in question (Fishbein and Ajzen, 1975). Several validations of TRA support the hypothesis that the approval or disapproval of a certain behavior coming from referent groups (friends, family, and colleagues) exerts a certain amount of pressure on the individual's intention to engage in such behavior. Thus, normative beliefs are a strong predictor of behavioral intention, together with attitude toward the behavior (Ajzen and Fishbein, 2005). Therefore, social compliance of PLS with respect to culture, religion and social norms is supposed to be tested in this study.

Finally, utilitarian value dimension is also included as one element of the study. Utilitarian value is defined as the value that a customer receives from the functionality of

a product purchased (Babin *et al*., 1994). From the utilitarian perspective, saving is described as work, meaning that customers focus on saving money in an efficient and effortless manner to achieve objectives (Griffin, Babin, and Modianos, 2000; Fischer and Arnold, 1990; Sherry, McGrath, and Levy, 1993). Thus the utilitarian value gained from PLS can be seen as one determinant factor for its success.

2.4. Research Hypotheses

The hypotheses for the study were as follows:

H1: Customers' awareness has a positive and significant effect on customers' intention to save behavior in CBE;

H2: PLS promotion's Emotional Affect has a positive and significant effect on customers' intention to save behavior in CBE;

H3: There is significant and positive relationship between Credibility of PLS program and customers' intention to save behavior in CBE;

H4: PLS promotion's social compliance has significant and positive effect on customers' intention to save behavior in CBE;

H5: There is significant and positive relationship between PLS promotion's utilitarian value and customers' intention to save behavior in CBE;

CHAPTER THREE

RESEARCH METHODOLOGY

This section highlights the overall methodological considerations that were employed in gathering, analyzing and interpreting the data. It includes research approaches that were followed, research design employed, population and sample size determination procedures, sampling method and procedure, data type and source, data collection instrument and procedure, ethical issues considered in the mean time and techniques used in data processing and analysis.

3.1. Overview of Commercial Bank of Ethiopia

The agreement that was reached in 1905 between Emperor Minilik II and Mr. Ma Gillivray, representative of the British owned National Bank of Egypt marked the introduction of modern banking in Ethiopia. Following the agreement, the first bank called Bank of Abyssinia was inaugurated in February 16, 1906 by the Emperor. The Bank was totally managed by the Egyptian National Bank operates until its liquidation in 1931.

Thus by 1931 Bank of Abyssinia was legally replaced by Bank of Ethiopia shortly after Emperor Haile Selassie came to power. The new Bank, Bank of Ethiopia, was a purely Ethiopian institution and was the first indigenous bank in Africa and established by an official decree on August 29, 1931. Bank of Ethiopia took over the commercial activities of the Bank of Abysinia and was authorized to issue notes and coins. During the invasion, the Italians established branches of their main Banks namely Banca d'Italia, Banco di Roma, Banco di Napoli and Banca Nazionale del lavoro and started operation in the main towns of Ethiopia. However, they all ceased operation soon after liberation except Banco di Roma and Banco di Napoli which remained in Asmara.

In 1941 another foreign bank, Barclays Bank, came to Ethiopia with the British troops and organized banking services in Addis Ababa, until its withdrawal in 1943. In April 1943, the State Bank of Ethiopia commenced full operation and acted as the central Bank of Ethiopia and had a power to issue bank notes and coins as the agent of the Ministry of

Finance. The Bank also functioned as the principal commercial bank in the country and engaged in all commercial banking activities.

The Ethiopian Monetary and Banking law that came into force in 1963 separated the function of commercial and central banking creating National Bank of Ethiopia and give birth to commercial Bank of Ethiopia. Moreover it allowed foreign banks to operate in Ethiopia limiting their maximum ownership to be 49 percent while the remaining balance should be owned by Ethiopians. The National Bank of Ethiopia with more power and duties started its operation in January 1964. Following the incorporation as a share company on December 16, 1963 as per proclamation No.207/1955 of October 1963, Commercial Bank of Ethiopia took over the commercial banking activities of the former State Bank of Ethiopia. It started operation on January 1, 1964 with a capital of Eth. Birr 20 million. In the new Commercial Bank of Ethiopia, in contrast with the former State Bank of Ethiopia, all employees were Ethiopians.

The first privately owned bank, Addis Ababa Bank Share Company, was established on Ethiopians initiative and started operation in 1964 with a capital of 2 million. There were two other banks in operation namely Banco di Roma S. C and Banko di Napoli S.C. that later reapplied for license according to the new proclamation each having a paid-up capital of Eth. Birr 2 million. Following the declaration of socialism in 1974 the government extended its control over the whole economy and nationalized all large corporations. Organizational setups were taken in order to create stronger institutions by merging those that perform similar functions. Accordingly, the three private owned banks, Addis Ababa Bank, Banco di Roma and Banco di Napoli Merged in 1976 to form the second largest Bank in Ethiopia called Addis Bank. Consequently Addis Bank and Commercial Bank of Ethiopia S.C. were merged by proclamation No.184 of August 2, 1980 to form the sole commercial bank in the country till the establishment of private commercial banks in 1994.

Commercial Bank of Ethiopia was established in April 1943 as State Bank of Ethiopia (CBE 2016). Initially, the bank had served both the functions of commercial and national banks. By 1963 State Bank of Ethiopia was separated into two as Commercial Bank of

Ethiopia and National Bank of Ethiopia with the later was mandated with the role of supervising the country's banking, insurance and other financial sectors.

As a state owned bank, CBE is mandated to support the national development endeavors and to expand the banking services to all segments of the people up to the grass root level. Currently the bank is aggressively expanding its branches in order to enhance its accessibility to the people. As of June 30, 2018, the number of branches of CBE reached more than **1,277** with more than 18 million customers and about 33,300 employees across the country. The bank almost evenly made its branches available in all regions of the country based on economic and business conditions. All branches are structured under fifteen districts which in turn are designed based geographical locations suitable for managing them.

According to its official website, CBE has a Vision to become a World-Class Commercial Bank by the year 2025. In order to achieve its vision, the bank prepared its five years corporate strategic plan (2015/16-2019/20). Considering the continuous and consistent growth of the economy and the importance of adequate financing to support national growth, resource mobilization is identified as one of the strategic issues of the Bank (CBE 2015a).

The effort of deposit mobilization can be materialized using measures like expanding branch network, increasing customer base and promoting existing products and services and introducing new products like PLS. PLS is one of the products, which is commonly used by banks operating in different economies (CBE 2015b). CBE has designed and introduced the PLS scheme in conjunction with normal saving account in the Ethiopian banking industry since 2012 and registered encouraging performance. PLS is a program used to attract depositors through rewarding customers those save more money for relatively longer period.

In the view of CBE, prize-linked savings (also called Lottery-Linked Deposit) is an innovative technique that is attracting individuals to save with the excitement of winning for savings (ibid). It is a proven savings strategy that encourages everyday consumers to save more money through prizes and incentives. The bank holds the position that PLS is

attractive to consumers since it is a win-win program in which consumers gain interest and earn chances to win.

CBE's PLS program is a little bit different from other PLS accounts around the world in three main ways. First, it provides prize coupons in addition to interest returns on principal. Customers with minimum net deposit during the PLS promotion period will be eligible for prize draw as per their balances. Secondly, it applies on all regular and other savings accounts with the exception of staff and government saving accounts. There is no unique account for PLS as is the case in other countries. Finally, the program lasts only for specified period of time in a year. It runs only for six months, usually between January 1 and June 30, each round. This study specifically focused on four districts namely South Addis Ababa District (SAAD), East Addis Ababa District (EAAD), North Addis Ababa District (NAAD) and West Addis Ababa District (WAAD) which in turn were composed of **407** branches found in and around Addis Ababa city.

3.2. Research Approach

According to Creswell (2003), there are three basic types of research approaches including quantitative, qualitative, and mixed approach. Quantitative research is an approach for testing objective theories by examining the relationship among variables. These variables, in turn, can be measured, typically on instruments, so that numbered data can be analyzed using statistical procedures. Qualitative research, on the other hand, is an approach for exploring and understanding the meaning individuals or groups ascribe to a social or human problem. Moreover, a mixed approach is an approach to inquiry involving collecting both quantitative and qualitative data, integrating the two forms of data, and using distinct designs that may involve philosophical assumptions and theoretical frameworks.

Accordingly, since the primary aim of the study is to evaluate the effect of PLS promotion on customers' intention to save, the research approach believed to be appropriate for this study was the use of quantitative approach. It was believed that quantitative data should be collected in order to adequately address objectives of the study. Quantitative data were collected through structured questionnaire composed of

descriptive and likert scale question items. Thus, the questionnaire developed to collect data was composed of interval scale questions.

3.3. Research Design

The research design is the conceptual structure within which research is conducted. It constitutes the blueprint for the collection, measurement and analysis of data (Kothari 2004). They are classified into three categories: exploratory, descriptive, and causal (Burns & Bush, 2003). Accordingly, this study employed descriptive and explanatory research designs. With descriptive design, respondents' responses on their basic profiles, bank relationships and the state of PLS promotion in terms of awareness creation, credibility, emotional affect, social compliance and utilitarian value were studied and presented. In addition to descriptive design, as the primary aim of the current study was to assess the effect of Prize-Linked Saving promotion on customers' intention to save behavior, explaining the relationships among variables for the study population was its primary task.

By employing explanatory research design, hypotheses were tested in connection with the effect of PLS on customers' intention to save and the relationships between variables were also explained using correlation and regression analysis. Accordingly, test of correlations, regression analyses and analyses of variance between the dimensions of Prize-Linked Saving promotion (namely awareness, credibility, emotional affect, social compliance and utilitarian value) and customers' intention to save were tested and interpreted as well.

3.4. Research Variables

As the research was of descriptive and explanatory in nature, there were two major variables in the study: dependent and independent. Prize-Linked Saving promotion was an independent variable whereas intention to save behavior was considered a dependent variable. The independent variable, PLS promotion, has five dimensions namely awareness, credibility, emotional affect (hedonic value), social compliance and utilitarian value.

3.5. Population of the Study

This study has focused on four districts namely South Addis Ababa District (SAAD), East Addis Ababa District (EAAD), North Addis Ababa District (NAAD) and West Addis Ababa District (WAAD) that were composed of 407 branches found in and around Addis Ababa city. The target population of the study was all saving account holder customers of CBE found in 25 sampled branches under South, East, North and West Addis Ababa Districts. These sample branches were selected from among the sampling frame using appropriate sampling design.

3.6. Sample Size and its Determination:

According to Kumar (2011), a sample is a subgroup of the population you are interested in. Sampling is the deliberate choice of a number of people, the sample, which provides data from which to draw conclusions about some larger group, the population, whom these people represent. This enables the research to be conducted economically and also within the limited time frame.

Based on this, the following formula was used to determine appropriate sample size for the study. Where ***"n"*** is the minimum sample size, ***"z"*** is the value of the standard variance at a given confidence level, ***"p"*** is assumed population proportion, and ***"e"*** is an acceptable standard error, the appropriate minimum sample size was determined as per the following formula:

$$\boldsymbol{n = \frac{z^2\, p(1-p)}{e^2}}$$ (Saunders et al. 2009, p. 581)

Thus, customer sample size was calculated as follows:

Confidence interval = 95%

Z=1.96

e = Acceptable error = 5% = 0.05

p = Assumed population proportion = 50% = 0.5

Then, sample size n will be calculated using formula:

$$\boldsymbol{n} = \frac{\boldsymbol{z^2\, p(1-p)}}{\boldsymbol{e^2}} = ((1.96^2)*(0.5)*(1-0.5))/.05^2 = \mathbf{384}$$

Generally, four districts, 25 branches and 384 sample customers were proportionally selected and included in the study. Sample sizes drawn from each branches in their respective districts are also depicted in table 3.1 below and specifically in annex 05.

Table 3.1: Customer sample size by their districts

District	Number of sample branches	Number of Target population	Number of Sample respondents
South AA	5	115,244	80
East AA	6	143,843	88
West AA	7	165,228	109
North AA	7	298,545	107
Total	**25**	**722,860**	**384**

***Source**: CBE 2018 and Sampling formula (Saunders et al 2008)*

As displayed in table 3.1, a total of 384 sample respondents were proportionally selected from all sample branches in all target districts. Based on this 88, 109, 107 and 80 sample respondents were conveniently picked (based on respondents' willingness to respond) for this study from east, west, north and south Addis Ababa districts, respectively. Additionally, many researchers commonly add some margin to the sample size to compensate for non-response (Israel, 2013). Taking this into consideration the researcher added 5% of the sample size and distributed 403 questionnaires in order to increase the response rate and gathered the required data from the representatives of the target population of the study.

3.7. Sampling Procedure (Technique)

In order to evenly include sample respondents from population, both probabilistic and non-probabilistic sampling designs were employed in various stages. Whereas in

probability sampling every item of the universe has an equal chance of inclusion in the sample (Kothari 2014), in non-probability sampling the investigator may select a sample which shall yield results favorable to his point of view (Kumar 2011).

Probabilistic sampling method was to choose sample branches within the districts. This was preferred because of the homogeneity among branches due to the introduction of T-24 core banking system in CBE since 2012 in that all branches are connected through online banking system and provide full package online inter-branch banking services for all kinds of customers across the country irrespective of their original branch. Based on this, 25 branches were randomly chosen among the sampling frame using simple random (lottery) method. To do that, first of all, each branches under each districts were sorted ascending alphabetically and coded as, for example, EAAD1, EAAD2,… for branches under East Addis Ababa Districts, WAAD1, WAAD2,… for West, NAAD1, NAAD2,.. for North and as SAAD1, SAAD2,… for South. Secondly, each of these codes was written on separate peace of papers and a total of 25 branches (5 branches from South, 6 branches from East, 7 branches from North and 7 branches from West Addis Ababa districts) were randomly picked and included in the study according to their sizes.

In addition to this, non probabilistic sampling was used to choose target districts and final respondents for the study. First, among 15 districts existing under CBE, the researcher purposively selected four districts namely East, West, North and South Addis Ababa Districts. This was done due to the districts' better representativeness features for they constitute all kinds of customers. They include branches located in towns, suburb areas and rural areas. These districts are also composed of all kinds of customers i.e., poor, medium, rich, educated, less educated, employed, businessmen, women, men, and including most kinds of socio-economic statuses. Moreover, more than 40 percent of the bank's customer bases were concentrated in these districts; about 33 percent of total branches are also supervised under these target districts; majority of resources mobilized are in these districts; and also they are the most strategic and profitable areas of the bank.

Finally, a total of 384 sample customers were conveniently, based on their willingness to respond, were chosen from each selected branches and invited to fill the questionnaire

designed for this purpose. List of sample branches and number of sample customer respondents under each target districts and braches is displayed in annex 05.

3.8. Sampling Frame

Sampling frame, also known as 'source list' from which sample is to be drawn. It contains the names of all items of a universe (in case of finite universe only). If source list is not available, researcher has to prepare it. Such a list should be comprehensive, correct, reliable and appropriate. It is extremely important for the source list to be as representative of the population as possible (Kothari 2004). With regard to this study, a sampling frame of a list of all branches under study area were prepared (Annex 03) and used for sampling.

3.9. Data Sources and Types

Both primary and secondary data types were used in this study. Primary data are information that has not been published. In other words, they are first-hand-data. In order to achieve study objectives, both qualitative and quantitative data were gathered from primary and secondary sources. Primary data were obtained from sample customer respondents using structured questionnaire. Secondary data is information that has been collected earlier by somebody else and for some other purposes. This type of data includes both raw data (with a little or no processing) and complied data (processed and/or summarized information). Secondary sources can be published journals, articles, books and reports related to the topic. Based on this, the researcher was used secondary data from various source like Bank's written materials (reports, manuals, procedures, research outputs, policy documents), international journals, and other financial and non financial reports.

3.10. Data Collection Tools

Data were gathered using two major tools; namely self-administered questionnaire and document analysis. Self administered questionnaire (Annex 01 English Version, Annex 02 Amharic version) was used to gather data from sample customers, whereas document

analysis were utilized to further complement the data with reports and available assessments on the subject and to have deep insight about the subject area. Accordingly, data for literature review part and questionnaire preparation were gathered using document analysis.

This questionnaire was designed to gather data from primary sources i.e. from sample customers about their own personal experience and attitudes toward the effect of PLS on their intention to save in CBE. It is composed of descriptive questions and five point likert scale questions. Descriptive questions were used to gather respondent customers' basic profiles and their relationship with the bank. Likert scale questions were utilized to collect the very important part of data about the effect of PLS promotion on customers' intention to save in CBE. The questionnaire used for this study was prepared by the researcher from literatures based on five major dimensions namely awareness, credibility, emotional affect, social compliance and utilitarian value. A total of 33 likert scale questionnaire items were developed and used under these mentioned five dimensions and intention to save behavior (dependent variable).

3.11. Data Collection Procedure

In order to yield appropriate data from customers without any language barrier, the questionnaire was first translated into Amharic language and made ready for use. Before administering the major data collection task, 25 questionnaires were distributed for customers to test its validity and to correct any defects. Finally, after appropriate corrections were made, data were gathered between August 01 to 10, 2018 by distributing questionnaires (either filled out by themselves or filled by the help of the data collector as an interview schedule (where necessary, if respondents cannot read and write)) for appropriate sample customers in all 25 target branches under study area. In addition to providing adequate orientation on how to fill the questionnaire in advance, further assistances were delivered where respondents face any ambiguity in doing so.

3.12. Ethical Considerations

Ethics is the code of moral principles and values that governs the behavior of an

individual or group with respect to what is right or wrong. They are norms or standards of behavior that guide moral choices about our behavior and our relationships with others. The goal of ethics in research is to ensure that no one is harmed or suffers adverse consequences from research activities. In this research, ethical issues have got especial consideration. Throughout the research, the researcher upholds and respects the participants' right to privacy, anonymity, fair treatment and to protection from discomfort and harm.

The researcher discussed the purpose of the research clearly to the participants during data gathering stage of the research. As a matter of confidentiality, the participants were not been required to write or tell their names. Furthermore, the participants were assured that their responses for the questionnaire were used for the intended purpose only and were wiped out their responses as no more required after completing the research.

3.13. Data Analysis and Presentation Tools

After data were gathered, they were checked, corrected, coded, inputted and analyzed by using statistical analysis software, SPSS version 20.0. Both descriptive and inferential statistics were employed for analysis. Descriptive statistical analysis was employed to analyze respondents' demographic profile, their relationships with the banking services and their perceptions on each dimensions of prize linked saving promotion. Correlation and multiple linear regression analyses were also conducted to test types of relationships that exist among variables of the study. Correlation analysis was used to see if there is any correlation between the independent and the dependent variable. In addition to this, multiple linear regression analysis was employed to explain the significant effects of the dimensions of independent variables on the dependent variable. Moreover, tests of normality, multicollinearity and homoscedasticity were conducted and distributions of data were checked.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

In this chapter, the results of data analyzed using Statistical Package for Social Sciences (SPSS version 20.0) were discussed. Accordingly, survey response rate, respondents' profile, and validity and reliability measures are presented. Results of descriptive statistics analysis of the survey, distribution tests, and correlation and regression analyses are also covered in this chapter. Finally, proposed hypotheses were tested and presented.

4.1. Data Screening and Cleaning

For the purpose of ensuring the accuracy of the study, the researcher screened and cleaned the data prior to analysis. Before entering in to analysis software, data collected from respondents were screened for missing values and checked for completeness. In doing so, questionnaires returned incomplete were excluded from analysis and missing values with acceptable levels were also managed properly. Accordingly, out of 403 distributed questionnaires 379 of them were found free of defects and used for the study analysis.

4.2. Survey Response Rate

Response rate for the study is presented in table 4.1 below and discussed as follows.

Table 4.1: Response Rate of the Study

S.N	District	# of questionnaires distributed	# of questionnaires Returned	Response Rate
1	East A.A District	88	88	100.0
2	West A.A District	109	105	96.3
3	North A.A District	107	106	99.1
4	South A.A District	80	80	100.0
	Total	**384 + 5%**	**379**	**98.7**

Source: Own Survey, August 2018

In order to increase response rate and compensate for non response, based on Israel (2013), 5% of the total sample size was added to the calculated 384 samples and a total of 403 questionnaires were distributed to sampled customers in 25 randomly selected branches and 379 correctly and completely filled questionnaire papers were collected back. The remaining 24 papers were either remain uncollected or were incomplete.

As per table 4.1, East and South Addis Ababa districts yield 100% response rates, whereas North and West Addis Ababa districts generated 99% and 96% response rates, respectively. Thus, the overall valid response rate of the survey has found to be 98.7% and it is concluded that this study had a very good response rate. The following table 4.1 shows number of distributed and returned questionnaire papers and their response rate in all target districts under study.

4.3. Characteristics of the Study Population

Under this section, summary of respondents' basic profiles are presented and discussed. In the first section, respondents' demographic and socio-economic characteristics like age, gender, highest education level, occupations category and income groups are displayed and discussed. Secondly, survey respondents' bank relationships and saving habits are analyzed, presented and discussed.

4.3.1. Respondents' Demographic and Socio-Economic Characteristics

Table 4.2 shows respondents' profile by their gender and age group. As shown in table 4.2, majority (55%) of sample respondents are males and the remaining 45% are females. The same table depicts respondents' age by their respective age group as below 18 years, between 18 to 35 years, between 26 to 60 years, and above 60 years. Accordingly, majority, about 69% of respondents are aged between 18 to 35 years. Around 73% of them are aged less than 35 years. This implies that majority of sample respondents included in the study are young customers. This may be reasonable in that prior studies found that young people are more attracted with PLS promotion (Atalay et al, 2011; Tufano et al, 2008; Emel et al. 2015; Guillen and Tschoegl 2002).

Table 4.2: Summary of Respondents by Sex and Age Group

Item	Category	Frequency	Percent	Cumulative Percentage
Respondents by Sex	Male	209	55.1	55.1
	Female	170	44.9	100.0
	Total	**379**	**100.0**	
Age Group (in years)	Below 18	16	4.3	4.3
	18-35	258	68.6	72.9
	36-60	92	24.5	97.3
	above 60	10	2.7	100.0
	Total	**376**	**100.0**	

Source: *Own Survey, August 2018*

Table 4.3 shows summary of respondents by their maximum education level achieved. Secondary school and first degree holders constitute the highest share comprising 30% and 26.4%, respectively. Diploma or TVET holders comprise about 22% followed by those with post graduate level counts 38 (14.2%). About 59.4% have achieved diploma or lower level grades. And the remaining 2% of respondents cannot read and write. Thus, significant portion of respondents are those attended secondary school levels.

Table 4.3: Summary of Respondents by Educational Level

Item	Alternative responses	Frequency	Percent	Cumulative Percent
Summary of Respondents by Educational Level	PhD	16	4.2	4.2
	Masters Degree	38	10.0	14.2
	First Degree	100	26.4	40.6
	Diploma/TVET	82	21.6	62.3
	Secondary school (9-12)	114	30.1	92.3
	Primary (1-8)	22	5.8	98.2
	Cannot read and write	7	1.8	100.0
	Total	**379**	**100.0**	

Source*: Own Survey, August 2018*

Respondents' occupation status is depicted in table 4.4. Accordingly, majority of the respondents, which is 172 (45.4%), are government employees. Those employed either by

NGO or private organizations constitute 18.5% of the total respondents. About 59 (15.6%) of them are business persons, while remaining portions are grouped as daily laborers, students and unemployed persons.

Table 4.4: Summary of Respondents by Employment Status

		Frequency	Percent	Cumulative Percent
Valid	Employed by Government	172	45.4	45.4
	Employed by private/ NGO	70	18.5	63.9
	Self employed/ businessperson	59	15.6	79.4
	Daily laborer	12	3.2	82.6
	Student	29	7.7	90.2
	Unemployed	37	9.8	100.0
	Total	**379**	**100.0**	

Source: Own Survey, August 2018

Respondents' average income is summarized in table 4.5, in that out of 363 valid responses, significant portion (29.2%) had average monthly income between 1000-3000 ETB followed by 6,000-10,000 ETB and 3000-6000 ETB that constitute 26% and 21.5%, respectively. About 11% of the respondents earn very low monthly income less than 1000 ETB.

Table 4.5: Summary of Respondents by income range

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<1,000 ETB	41	10.8	11.3	11.3
	1,000-3,000	106	28.0	29.2	40.5
	3,001-6,000	78	20.6	21.5	62.0
	6,001-10,000	95	25.1	26.2	88.2
	>10,000 ETB	43	11.3	11.8	100.0
	Total	363	95.8	100.0	
Missing	0	16	4.2		
Total		**379**	**100.0**		

***Source**: Own Survey, August 2018*

Similarly, near to 12% of the respondents have had average income above 10,000 ETB. Majority of the respondents (62%) earn average monthly income less than 6000 ETB. Thus, significant portion of the sample respondents are lower and medium income groups. Consistent to this, study conducted by Guillen and Tschoegl (2002) in Latin American programs found that low-income populations expressed higher interest in products like PLS.

To summarize on respondents' demographic and socio-economic profiles, majority of them are male (55%), younger than 35 years age (73%), attended diploma or lower levels (59%), government employees (45%) and most of them earn monthly income less than 6000 ETB (62%). This may be acceptable assumption in that Tufano, Maynard & De Neve (2008) found out that there is slightly stronger demand among younger persons, men, employed people and less educated persons.

4.3.2. Summary of Respondents' Bank Relationships and Saving Habits

Respondents-bank relationship, their self reported saving habits and summary of factors that influence them to become banked are revealed in subsequent tables: table 4.6, 4.7 and 4.8, respectively. Their experience with PLS promotion and action responses for not winning PLS prizes are also depicted in table 4.9.

Table 4.6: Respondents' Length of relationship with the Bank

Item	Alternative answers	Frequency	Percent	Cumulative Percent
Length of relationship with CBE	Less than a year	55	14.5	14.5
	Between 1 and 5 years	166	43.8	58.3
	Between 6 and 10 years	85	22.4	80.7
	More than 10 years	73	19.3	100.0
	Total	**379**	**100.0**	
Savings Account at Other Bank	Yes	209	55.1	55.1
	No	170	44.9	100.0
	Total	**379**	**100.0**	

***Source**: Own Survey, August 2018*

Respondents' length of years since banked in CBE is analyzed and, as shown in table 4.6, about 58% of the respondents have banking relationship for less or equal to 5 years, while about 22% and 19% of them have been working with CBE for 5-10 years and more than 10 years, respectively. Therefore, it is possible to conclude that majority of the respondents were banked since the introduction of PLS promotion in CBE. The same table also shows respondents' response on whether they have opened accounts at other banks. In this connection the higher portion of them have opened saving accounts at one or more other private commercial banks available in the area. However, significant proportions (45%) of them are loyal customers of CBE.

Table 4.7: Summary of Customers' Saving Habits

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Negative saving	36	9.5	9.7	9.7
	No saving	92	24.3	24.8	34.5
	Irregular saving	145	38.3	39.1	73.6
	Planned and regular saving	98	25.9	26.4	100.0
	Total	**371**	**97.9**	**100.0**	
Missing	0	8	2.1		
	Total	379	100.0		

***Source**: Own Survey, August 2018*

According to summary revealed in table 4.7, out of 371 valid responses only 98 (26.4%) of respondents have planned and regular saving habit. About 39% of them are irregular savers, while 34.5% of them have either never saved ever or usually consume more than their income. Thus, with regard to saving habits, data shows high potentiality of non-savers.

Regarding those factors that had influenced respondents to become banked in CBE, a number of alternative factors were provided to respondents and analysis is summarized in table 4.8. It is found out that the higher proportion of respondents were influenced by CBE's service excellence (25.6%), followed by employers' orientation for salary account (15.8%), and bank's advertising (15.6%). About 8.4% of respondents reported that they

were attracted by the bank's Prize Linked Saving promotion program. Therefore, PLSP had significant role in attracting new customers to become customers of bank.

Table 4.8: Factor Influenced Respondents to Become a Customer of the Bank

Factors	Frequency	Percent	Cumulative Percent
Advertising	59	15.6	15.6
Family/friend	50	13.2	28.8
Banks' employees	15	4.0	32.7
Branch proximity	54	14.2	47.0
Service excellence	97	25.6	72.6
PLS promotion	32	8.4	81.0
Employer orientation	60	15.8	96.8
Other factors	12	3.2	100.0
Total	**379**	**100.0**	

Source: *Own Survey, August 2018*

Table 4.9: Respondents' PLS experience and winning history

Items	Options	Frequency	Percent	Cumulative Percent
Rounds involved in PLS promotion	Once	192	50.7	50.7
	Twice	82	21.6	72.3
	Three rounds	43	11.3	83.6
	Four and above	62	16.4	100.0
	Total	379	100.0	
Won the PLS prize ever?	Yes	0	0	0
	No	379	100.0	100.0
	Total	379	100.0	
Action taken after not winning the prize	Continue saving in same pace	257	67.8	67.8
	Leave the account as it is	43	11.3	79.2
	Withdraw all balances	39	10.3	89.4
	Others	40	10.6	100.0
	Total	379	100.0	

Source*: Own Survey, August 2018*

Table 4.9 exhibits respondents' reports on rounds involved in PLS, prize lottery winning history in PLS and action taken after prize draw. Majority of respondents reported that they have only involved in PLS promotion for only one round. Only 16.4% of them have participated in PLS promotion for four and above rounds. Around 72% of employees have engaged in PLSP once or twice.

On the other hand, none of the respondents have a winner record. However, about 68% of them reported that they have been continuing in saving money in to their savings accounts even though they did not win the prize lottery. This is good news for the banks in that, PLS promotion is eliciting saving appetite among society for longer period of time irrespective of whether they won prize or not. Thus, possible to conclude that PLS promotions' short term incentive is creating long term effects on saving.

4.4. Validity and Reliability

One way to try to ensure that measurement error is kept to a minimum is to determine properties of the measure that give us confidence that it is doing its job properly. The first property is validity, which is whether an instrument actually measures what it sets out to measure. The second is reliability, which measures whether an instrument can be interpreted consistently across different situations (Field 2013).

4.4.1. Test of Validity

Validity is the ability of an instrument to measure what it is designed to measure; the degree to which the researcher has measured what he has set out to measure' (Smith 1991). Babbie writes, 'validity refers to the extent to which an empirical measure adequately reflects the real meaning of the concept under consideration' (1989: 133). Often, when discussing the validity of a questionnaire, researchers refer to content validity, criterion-related validity (predictive validity) and construct validity.

Content validity refers to the extent to which the measurement device, in our case the measurement questions in the questionnaire, provides adequate coverage of the investigative questions (Saunders et al 2008). For this research, validity of the questionnaire was assured in two ways. First, samples of questionnaire papers were

delivered to experts in research, specifically senior researchers in CBE research department, and held discussion with them on the ability of the questionnaire items to reflect what was intended to reflect one-by-one by carefully reviewing literatures and by conducting prior discussions with others (probably experts in the area) on the ability of the questionnaire at hand to measure what is intended to measure.

Secondly, pilot test was conducted to check whether items were clearly understandable by target respondents to respond without defect. In doing that, before administering the major data collection task, twenty-five questionnaires were distributed for customers to test its validity and to correct any defects. After appropriate corrections were made, based on pilot respondents' comments, data were gathered.

4.4.2. Test of Reliability

Reliability refers to the extent to which data collection techniques or analyses procedures will yield consistent findings (Saunders et al 2008). The Cronbach's Alpha is interpreted as a coefficient Alpha and its value ranges from 0 to 1. Sekaran (2000) explained that when calculating Cronbach's reliability coefficient, reliabilities less than 0.6 are considered poor, reliabilities within 0.7 ranges are considered acceptable and those coefficients over 0.8 are considered good.

Table 4.10: Overall coefficient of Cronbach's Alpha

Reliability Statistics		
Variables	**N of Items**	**Cronbach's Alpha**
Overall	33	0.927

***Source**: Own survey and SPSS v20.0 (August, 2018)*

Thus before going through any further analyses, reliability of the instrument was checked whether it was of an acceptable level. Accordingly, Cronbach's Alpha, the most popular reliability measurement tool, was used to test the internal consistency between items in the questionnaire. The result of the test shows the overall measure of alpha coefficient to be **0.927** as shown in table 3.4. According to Sekaran (2000) reliability of coefficients

above 0.8 is considered good. Therefore, the internal consistency between measurement items of the study can be considered as good.

More specifically, coefficients of alpha for particular dimensions of an independent variable and for the dependent variable were tested. As displayed in table 4.11 coefficient of alpha ranges from 0.717 to 0.817 for dimensions of PLS promotion. Overall alpha coefficient for intention to save, i.e. the dependent variable, was also measured to be 0.869. As per Sekaran (2000), therefore, since all alpha values are above 0.7, they are considered of acceptable and good levels.

Table 4.11: Cronbach's Alpha for each dimensions of PLS promotion

	Reliability Statistics	
	Cronbach's Alpha	**Number of Items**
Awareness	0.762	5
Credibility	0.817	5
Emotional affect	0.784	6
Social Compliance	0.717	3
Utilitarian Value	0.782	4
Intention to save	0.869	10
Overall	**0.927**	**33**

***Source**: Own survey and SPSS v20.0 (August, 2018)*

4.5. Results of Descriptive Statistical Analysis

Under this section, analysis of descriptive statistics is presented and discussed. Mean scores and standard deviations for all items and their summaries for both independent and dependent variables are described and discussed.

4.5.1. Descriptive analysis for Dimensions of PLS Promotion

Awareness, credibility, emotional affect, social compliance and utilitarian value are dimensions selected for testing the effect of PLS promotion on intention to save. Means and standard deviations of responses on each dimension are discussed as follows.

4.5.1.1. Awareness and PLS Promotion

With the intention to explain the ability of PLS promotion in creating awareness for customers on saving, five question items with five point Likert scale options ranging from 1 (strongly disagree) to 5 (strongly agree) were used and result shows that, as shown in table 4.12, overall mean and standard deviation for all items on awareness creation is 3.51 and 0.769, respectively. The lowest mean is 3.34 with standard deviation of 1.077 where the maximum mean is 3.8 with SD 1.054. However, compared to the mean scores, responses are slightly diversified. This implies that respondents are almost agreed about the importance of PLS promotion in awareness creation about saving money at bank. This is consistent with Peter Tufano (2008) finding that that found PLS promotion helped customers to learn about the importance of saving at bank.

Table 4.12: Descriptive Statistics of Awareness Creation of PLSP

Awareness Creation (N=379)	Mean	Std. Deviation
PLSP is strong enough to create awareness about saving	3.80	1.054
PLS helps to understand the importance of saving	3.61	1.054
CBE's PLS promotions teaches the need to save	3.35	1.146
Save-to-win promotion helps to think about saving	3.44	1.043
PLS promotion influences to increase saving	3.34	1.077
Average	**3.51**	**.769**

***Source**: Own survey and SPSS v20.0 (August, 2018)*

4.5.1.2. Credibility and PLS Promotion

Table 4.13 reveals that respondents fairly agreed that overall procedures involved in PLS promotion of CBE is almost credible (Mean = 3.53, SD = 0.0813). However, results show that respondents are indifferent about the transparency of prize draw mechanism.

Table 4.13: Respondents' Perception about the Credibility of PLS promotion

Credibility (N=379)	**Mean**	**Std. Deviation**
Prize-Linked Saving promotion prizes offered are real	3.48	1.128
Lottery coupon number delivered through SMS is reliable	3.42	1.057
Prize draw processes were transparent enough to the public	3.26	1.051
I feel safe of principal and accrued interest guaranteed in PLS	3.74	1.037
Believe prizes are delivered to winners as exactly as promised	3.75	1.080
Average	**3.53**	**.813**

***Source**: Own survey and SPSS v20.0 (August, 2018)*

With mean score of 3.26 and SD of 1.051, data shows respondents do not know that PLS promotion prize draw process takes place publicly. They are also not sure whether coupon number sent via SMS is reliable and prizes offered are real enough for mean of 3.42 and 3.48 were results on SMS reliability and offered prizes reality, respectively.

4.5.1.3. Emotional Affect and PLS Promotion

Emotional affect is the ability of PLS promotion in creating joy, fun and excitement for saving. Emotional affect (also called hedonic values) are more emotionally-driven, such as experiential, pleasure, multisensory, and entertainment-oriented. The entertainment and exploration benefits of sales promotions can be tentatively classified as hedonic since they are intrinsically rewarding and related to experiential emotions, pleasure, and self-esteem.

Table 4.14: Descriptive Statistics of Emotional Affect

Emotional Affect (N=379)	Mean	Std. Deviation
Prizes are attractive, enjoyable and exciting;	3.77	1.079
PLS is encouraging to participate	3.59	.956
Feel good when participating in PLS promotion	3.70	.917
Saving for coupon is an enjoyable practice	3.64	.928
PLS promotion excite to save regularly	3.31	1.056
Liked PLS promotion of CBE in general	3.71	1.029
Average	**3.62**	**0.691**

***Source**: Own survey and SPSS v20.0 (August, 2018)*

As PLSP is composed of saving and gambling features, it is expected to generate liking, feeling of happiness, exciting, enjoyment, and the like for target customers. Thus, the extent to which PLS promotion is affecting respondents' emotions is measured using six items and the results show that PLS promotion is attractive, enjoyable, exciting, encouraging and liked in general.

As shown in table 4.14, overall mean score on emotional affect is 3.62 with SD of 0.691 which implies significant effect of PLSP on affecting emotions with slightly dispersed responses among respondents. However, it is undecided that whether it could influence people to have a regular saving plans in the bank (mean=3.31, SD=1.029).

4.5.1.4. Social Compliance and PLS Promotion

The extent to which people perceive whether PLSP comply with social norms and influences group behaviors is measured using three items and results are shown in table 4.15. A friend or family member preference exhibits the lowest mean of 2.98 and SD of 1.091 which is below cut point of 3.00. This implies that PLS is not sufficiently recommended by friends and family members in general. Almost similar to this, the influence of known people participation (mean=3.09, SD=1.050) in PLS could not adequately influence non participants to be involved. The overall mean score is rated as

3.17 with SD of 0.853. Hence, it is concluded that PLS promotion cannot adequately affect social compliance.

Table 4.15: Descriptive Statistics of Social Compliance

Social Compliance (N=379)	Mean	Std. Deviation
Friend/family preference	2.98	1.091
Influence of known people participation	3.09	1.050
Social, cultural, religion acceptance	3.43	1.060
Average	**3.17**	**0.853**

***Source**: Own survey and SPSS v20.0 (August, 2018)*

4.5.1.5. Utilitarian Value and PLS Promotion

A value can be described as a belief that is a product of human experience through interactions with various social constituencies. Naturally, people pursue values by being engaged in or promoting certain behaviors (Bardi and Schwartz, 2003). As a result, these values guide the selection or evaluation of individual actions to achieve desirable goals. Utilitarian customer values are more cognitively-driven, such as functional, instructional, practical, and task-oriented. Thus, the savings, quality, and convenience benefits of sales promotions can be tentatively classified as utilitarian since they help consumers increase the acquisition utility of their saving and enhance the efficiency of the saving experience. Depending on this, the extent of the utilitarian value of PLSP is measured using four item questions and results are summarized in table 4.16.

Specific measures used are convenience, additional benefit earned, enticement, and consumption reduction value. Results found out that PLS promotion slightly satisfies utilitarian values with overall mean score of 3.51 with SD of 0.851. However, the least mean score is found in consumption reduction with the highest standard deviation compared to the group (mean =3.43, SD=1.174). Thus, the role of PLS in reducing consumption is not justified in this descriptive analysis, yet.

Table 4.16: Descriptive Statistics of Utilitarian Value

Utilitarian value (N=379)	Mean	Std. Deviation
Coupon delivery convenience	3.57	1.095
Think PLS coupon as additional benefit	3.44	1.122
PLS remind me the must be of saving	3.61	.976
PLS helps to reduce consumption	3.43	1.174
Average	**3.51**	**0.851**

***Source**: Own survey and SPSS v20.0 (August, 2018)*

4.5.2. Customers' Intention to Save

In order to test the effect of PLS on saving, ten items were used to collect data from customer respondents and the results are summarized. Under this sub topic the effect of PLS promotion in terms of customers' intention to save in Commercial Bank of Ethiopia is presented and discussed.

Table 4.17: Descriptive Statistics of Intention to Save (Dependent Variable)

Intention to Save (N=379)	Mean	Std. Deviation
PLS promotion encouraged me think about saving	3.44	1.020
I am influenced by PLS promotion to become banked	3.04	1.120
I am encouraged by PLSP to start regular saving in the bank;	3.38	0.930
I usually save more money during PLS promotion	3.18	1.120
Usually deposit money in to account after exposure to PLS ad	3.08	1.026
Usually withdraw money from other bank and deposit in CBE	2.73	1.266
Usually postpone major expenses during PLS promotion	2.69	1.171
I feel unhappy to withdraw money during PLS promotion	3.49	1.052
Participating in PLS helped me to reduce current consumption	3.40	1.153
With PLS promotion I have learned that" I am able to save";	3.54	1.084
Average	**3.20**	**0.744**

***Source**: Own survey and SPSS v20.0 (August, 2018)*

As can be seen from table 4.17, mean score and Standard Deviations are measured on ten questionnaire items of five scale and results shown mean score of items ranges between minimum of 2.69 with SD 1.171 and maximum of 3.54 with SD 1.084. The effect of PLS in postponing major expense during PLS promotion known to be the least scored item with mean of 2.69 SD 1.171 while the statement "With PLS promotion I have learned that I am able to save" scored the highest mean of 3.54 and SD 1.084. Overall mean and SD on intention to save is 3.20 and 0.744, respectively. Therefore, it is undecided that PLS promotion had effect on intention to save using descriptive analysis. However, further analysis conducted using correlation and regression has clarified this issue.

4.6. Tests of Assumptions

Statistical assumptions that must be met for the analysis of correlation and regression are tested and the results are presented in this section. Accordingly, basic assumptions such as normality, linearity, multicollinearity, and homoscedasticity were checked and found acceptable and their results are discussed as follows.

4.6.1. Normality Test

According to Yi (1988) one of the first thing that should be taken care of before proceeding in to the main part of the analysis, is to check whether the data are normally distributed or not. The normality of the population distribution forms the basis for making statistical inferences about the sample drawn from the population (Kothari 2004). A common test for normality is to run descriptive statistics to get skewness and kurtosis. Skewness should be within -2 and +2 range while kurtosis to fall within -3 and +3 if the data is normally distributed according to (Garson, 2012; George & Mallery, 2010). Based on Garson's suggestion, the skewness and kurtosis as indicated on table 4.18 shows that all variables fall within the ranges suggested. The data used for the research are normally distributed.

The further the value is from zero, the more likely it is that the data are not normally distributed (Field 2013). Positive values of skewness indicate too many low scores in the distribution, whereas negative values indicate a build-up of high scores. Positive values of

kurtosis indicate a pointy and heavy-tailed distribution, whereas negative values indicate a flat and light-tailed distribution (Field 2013). Based on this, normality for data is tested using SPSS v20 and illustrated in Table 4.18. The result shows that all values of skewness and kurtosis fall in an acceptable range.

Table 4.18: Normality test: Skewness and Kurtosis

N=379	Skewness	Kurtosis
Awareness	-.855	.830
Credibility	-.600	.085
Emotional Affect	-.792	1.414
Social Compliance	-.475	.082
Utilitarian Value	-.783	.520
Intention To Save	-.546	.391

***Source**: Own survey and SPSS v20.0 (August, 2018)*

4.6.2. Multi-collinearity Test

Multi-collinearity is an unacceptably high level of inter-correlation among the independents, such that the effects of the independents cannot be separated (Garson 2012). Under multi-collinearity, estimates are unbiased but assessments of the relative strength of the explanatory variables and their joint effect are unreliable. The two known techniques for collinearity diagnostics are variance inflation factor (VIF) and tolerance. The VIF indicates whether a predictor has a strong linear relationship with the other predictor(s).

Although there are no hard and fast rules about what value of the VIF should cause concern, there are some general guidelines: If the largest VIF is greater than 10 then there is cause for concern (Bowerman & O'Connell, 1990; Myers, 1990 cited in Field, 2013). If the average VIF is substantially greater than 1 then the regression may be biased (Bowerman & O'Connell, 1990 cited in Field, 2013). VIF may be used in lieu of tolerance as VIF is simply the reciprocal of tolerance. The rule of thumb is that VIF > 4.0 when multi-collinearity is a problem. If the tolerance value is less than some cutoff value, usually 0.20, the independent should be dropped from the analysis due to multi-

collinearity. Tolerance below 0.1 indicates a serious problem. Tolerance below 0.2 indicates a potential problem (Menard, 1995) cited in (Field, 2013).

Table 4.19: Tolerance and variance inflation factor (VIF)

Model (N=379)		t	Sig.	Collinearity Statistics	
				Tolerance	VIF
1	(Constant)	3.684	.000		
	Awareness	5.647	.000	.650	1.539
	Credibility	3.588	.000	.457	2.188
	Emotional Affect	-3.833	.000	.433	2.312
	Social Compliance	9.582	.000	.677	1.476
	Utilitarian Value	5.862	.000	.587	1.702

Dependent Variable: Intention to Save

***Source**: Own survey and SPSS v20.0 (August, 2018)*

As shown in table 4.19, multicollinearity among independent variables is tested and results reveal that there is no problematic level multicollinearity among variable in target. All tolerance levels are above 0.4 and VIF found to be less than cutoff level. Regarding this study the tolerance value ranges from 0.433 to 0.650 and the values of VIF for all the independent variables are below 4 showing no indications of multi-collinearity. Hence it is verified that all dimensions of an independent variable can be included in regression analysis.

4.6.3. Test of Linearity

According to Field (2013), linearity is one of the assumptions which justify the use of linear regression models for purpose of prediction. It is the degree to which the change in the dependent variable is related to the change in the independent variables. Testing for nonlinearity is necessary because correlation, regression, and other members of the general linear model (GLM) assume linearity (Garson 2012). To test for linearity, one can compute an ANOVA table for the linear and nonlinear components of any pair of variables. If the F significance value for the nonlinear component is below the critical value (ex., < .05), then there is significant nonlinearity (Garson 2012 p.42). Accordingly,

test for linearity is computed using ANOVA test of linearity (table 4.20), and the finding shows to be F> 0.05, therefore, linearity assumption is confirmed for the study.

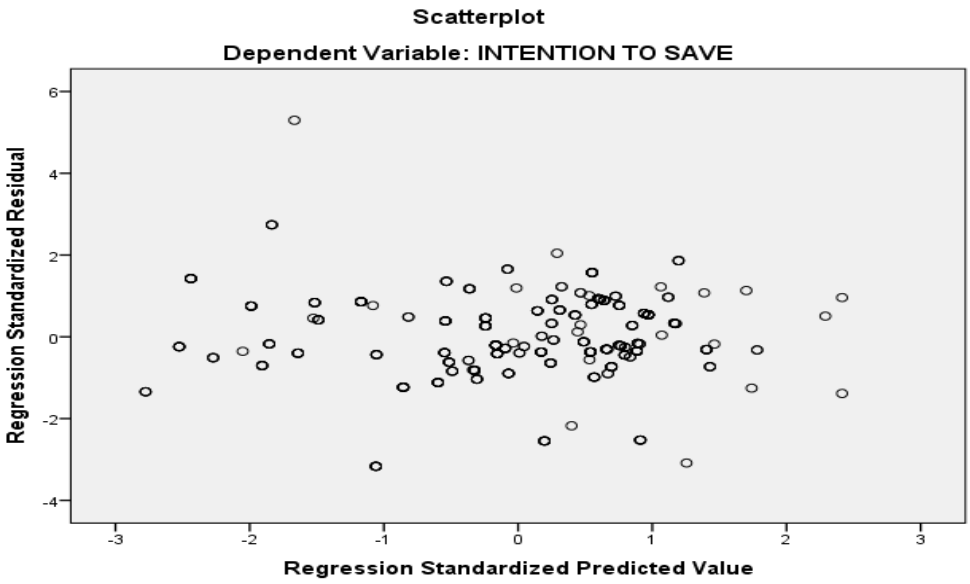
Table 4.20: ANOVA Test of Linearity

			Sum of Squares	Df	Mean Square	F	Sig.
INTENTION TO SAVE * PLS promotion Overall	Between Groups	(Combined)	204.836	93	2.203	139.831	.000
		Linearity	89.937	1	89.937	5709.73	.000
		Deviation from Linearity	114.899	92	1.249	79.288	.000
	Within Groups		4.489	285	.016		
	Total		209.326	378			

***Source**: Own survey and SPSS v20.0 (August, 2018)*

4.6.4. Homoscedasticity Test

Figure 4.1: Standardized residual Scatter plot



***Source**: Own survey and SPSS v20.0 (August, 2018)*

According to Garson (2012), homoscedasticity means the relationship under investigation is the same for the entire range of the dependent variable. It is an assumption in regression analysis that the residuals at each level of the predictor variable(s) have similar variances. Put another way, at each point along any predictor variable, the spread of residuals should be fairly constant (Field, 2013). Lack of homoscedasticity is shown by higher errors (residuals) for some portions of the range compared to others. When the homoscedasticity assumption is met, residuals will form a pattern less cloud of dots.

Thus scatter plot of the standardized predicted dependent variable is used to check homoscedasticity and the plot shows (Figure 4.1) pattern less dot cloud of dots and confirms the existence of homoscedasticity within data

4.7. Correlation Analysis

Correlations are perhaps the most basic and most useful measure of association between two or more variables (Marczyk, Dematteo & Festinger, 2005), in that it quantifies the degree and direction to which two variables are related. Correlation analysis is computing a correlation coefficient that tells how much one variable tends to change when the other one does. The general guideline for interpretation of the extent of correlations is given in table 4.21.

Table 4.21: General guideline for interpretation of the extent of correlations

Ranges	Interpretation
[-0.1,-0.3) or [+0.1,+0.3)	Weak correlation
[-0.3,-0.5) or [+0.3,+0.5)	Moderate correlation
[-0.5, -1.0) or [+0.5, +1.0)	Strong correlation

***Source**: Sekaran, & Bougie, (2010)*

Based on this assumption, in order to investigate the direction and strength of relationships that exist between the dimensions of the PLS promotion (independent variables) and intention to save (dependent variable) in Commercial Bank of Ethiopia, the researcher conducted Pearson correlation analysis and results are indicated in table 4.22.

As it is clearly displayed in table 4.22, coefficient of correlations between the dependent and independent variables, and also among selected dimensions of PLS promotion (awareness, credibility, emotional affect (also known as hedonic value), social compliance and utilitarian value) and intention to save are analyzed.

Table 4.22: Coefficient of Correlations among all Variables

Correlations[b]							
		Awareness	**Credibility**	**Emotional Affect**	**Social Compliance**	**Utilitarian Value**	**Intention to Save**
Awareness	Pearson	1					
	Sig. (2-tailed)						
Credibility	Pearson	.495**	1				
	Sig. (2-tailed)	.000					
Emotional Affect	Pearson	.576**	**.695****	1			
	Sig. (2-tailed)	.000	.000				
Social Compliance	Pearson	**.255****	.415**	.368**	1		
	Sig. (2-tailed)	.000	.000	.000			
Utilitarian Value	Pearson	.334**	.514**	.478**	.544**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
Intention to Save	Pearson	**.417****	**.477****	**.348****	**.624****	**.575****	**1**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
**. Correlation is significant at the 0.01 level (2-tailed).							
b. Listwise N=379							

***Source**: Own survey and SPSS v20.0 (August, 2018)*

From this analysis, at a significant level of $p<0.01$, the result of coefficients of correlations among dependent and independent variables fall within the ranges of 0.348 to 0.624 and all dimensions of PLS promotion are found to be positively correlated with intention to save in CBE. Social compliance (r=0.624) found to have the highest correlation with intention to save followed by utilitarian value (r=0.575), credibility

(r=0.477), and awareness (r=0.417). However, emotional affect (a.k.a. hedonic value) has relatively found to be the least correlated variable with intention to save with a Pearson correlation coefficient of 0.348.

Based on the criteria for interpretation of correlation given in table 4.21 above (Sekaran & Bougie 2010), two of the dimensions of the independent variable were confirmed to have strong and positive correlations with intention to save, and the remaining three dimensions are found to have positive and moderate correlations with intention to save. More clearly, both social compliance ($r=0.624$, $p=0.000<0.01$) and utilitarian value ($r=0.575$, $p=0.000<0.01$) are found to have strongly positive correlation with intention to save, whereas, credibility ($r=0.477$, $p=0.000<0.01$), awareness ($r=0.417$, $p=0.000<0.01$) and emotional affect (with $r=0.348$, $p=0.000<0.01$) have moderately positive correlations with intention to save. Therefore, it might be concluded that on the basis of this correlation analysis the effect of PLS promotion on intention to save is statistically significant at $p<0.01$.

The same table, table 4.22, also shows correlations that exist among the dimensions of independent variables themselves. Accordingly, at significance level of $p<0.01$ the relatively strongest correlation, which is $r=0.695$, is found between credibility and emotional affect whereas the weakest one ($r=0.255$) is found among social compliance and awareness. This implies that credibility is a strong determinant factor for emotional affect, or vice versa.

4.8. Multiple Regression Analysis

Regression analysis can be used to predict the values of a dependent variable given the values of one or more independent variables by calculating a regression equation (Saunders et al, 2009). Multiple regression is used when we want to predict the value of a dependent variable (target or criterion variable) based on the value of two or more independent variables (predictor or explanatory variables). Multiple regression analysis allows us to determine the overall fit (variance explained) of the model and the relative contribution of each of the predictors to the total variance explained (Kothari 2004). Hence, for the purpose of examining the effects of the dimensions of PLS promotion

(independent variable) on customers' intention to save in CBE (dependent variable), multiple regression analysis is employed, and the results are presented and interpreted in this section.

4.8.1. Model Summary

In this model, the coefficient of determination (R^2) indicates the degree of the goodness of fit for the estimated multiple regression equation. It can be interpreted as how good a predictor the multiple regression equation is likely to be (Saunders, et al., 2009). According to McDaniel & Gates (2013), the adjusted R^2 statistic is preferred by some researchers as it helps to avoid overestimating the impact of adding an independent variable on the amount of variability explained by the estimated regression equation. Thus, the adjusted R^2 value tells us the proportion of variance in the dependent variable (intention to save) accounted for predictors (the dimensions of Prize-Linked Saving promotion) (Field, 2013).

Table 4.23 shows the model summary of the study. The model summary shows that the adjusted R^2 value is 0.527. This implies that 52.7% of the variation in customers' intention to save can be explained by the dimensions of PLS promotion (namely awareness, credibility, emotional affect, social compliance and utilitarian value) i.e., independent variables. The remaining 47.3% of variation is due to other variables that are not included in this study.

Table 4.23: Model Summary of the Study

Model Summary[b]				
Model	**R**	**R Squared**	**Adjusted R^2**	**Std. Error of the Estimate**
1	.731[a]	.534	.527	.512

a. Predictors: (Constant), Utilitarian Value, Awareness, Social Compliance, Credibility, Emotional Affect;
b. Dependent Variable: Intention to Save

***Source**: Own survey and SPSS v20.0 (August, 2018)*

4.8.2. ANOVA of the Study

ANOVA tests whether the model is significantly better at predicting the outcome than using mean as a "best guess" (Field 2013); and it also shows the main and interaction effects of categorical independent variables (Garson 2002). Put it in other words, ANOVA tells us whether the model, overall, is acceptable from a statistical perspective i.e. whether the independent variables are in a significantly good degree of prediction of the outcome variable (Hair et al., 2004). In multiple regression analysis, the *t*-test is used to find out the probability of the relationship between each of the individual independent variables and the dependent variable occurring by chance (Saunders et al, 2009). In contrast, the *F*-test is used to find out the overall probability of the relationship between the dependent variable and all the independent variables occurring by chance (Saunders, et al., 2009). If F test is greater than one, F>1, and larger enough, the variable under study is considered significant (Field 2013).

Table 4.24 shows the result of the Analysis of Variance (ANOVA). It indicates the F value of 85.362 with significance level of 0.000 which imply that the dimensions of the PLS promotion (independent variable) significantly predict the customers' intention to save (dependent variable). Since the F-test result of the study is 85.362 which is by far greater than one with significance of p=0.000<0.05, the probability of these results occurring by chance is less than 0.05 i.e. the variation that is explained by the model is not simply by chance. Therefore the overall regression model is significant.

Table 4.24: ANOVA Result

ANOVA[a]						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	111.705	5	22.341	85.362	.000[b]
	Residual	97.621	373	.262		
	Total	209.326	378			

a. Dependent Variable: Intention to Save

b. Predictors: (Constant), Utilitarian Value, Awareness, Social Compliance, Credibility, Emotional Affect

***Source**: Own survey and SPSS v20.0 (August, 2018)*

4.8.3. Coefficients of the Regression

Despite the fact that ANOVA is a useful test of the model's ability to explain any variation in the dependent variable, it does not directly address the strength of that relationship (Hair et al., 2004). Thus it is better to see coefficients of the regression line to explain the strength of relationship among each dimensions of PLS promotion and intention to save. The sign of the coefficient indicates whether the predicted response increases or decreases when the predictor increases, keeping all other predictors constant (Hair et al., 2004). As per Field (2013), beta values indicate the individual contribution of each predictor to the model. Similarly, standardized coefficient (beta value) indicates the degree of importance of each of independent variables dimensions i.e., awareness, credibility, hedonic value (a.k.a. emotional affect), social compliance and utilitarian value, to customers' intention to save behavior in CBE.

Table 4.25: Coefficient of Regression

Coefficients[a]						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	**.584**	.159		3.684	.000
	Awareness	.240	.042	**.248**	5.647	.000
	Credibility	.172	.048	**.188**	3.588	.000
	Emotional Affect	-.222	.058	**-.206**	-3.833	.000
	Social Compliance	.359	.037	**.412**	9.582	.000
	Utilitarian Value	.237	.040	**.270**	5.862	.000
a. Dependent Variable: *Intention To Save*						

***Source**: Own survey and SPSS v20.0 (August, 2018)*

According to table 4.25, the regression result shows that social compliance dimension of PLS promotion is found to be the largest predictor (β=0.412) of intention to save followed by utilitarian value (β=0.270) and awareness (β=0.248). This is interpreted as, other variable remaining constant, a one unit increase in social compliance increases intention to save by 0.412units. The data also shows that credibility is the relatively least positive contributor with β=0.188 significant at P=0.000<0.05. Contrary to these, emotional affect

(a.k.a. hedonic value) dimension of PLS promotion is the statistically significant negative contributor to intention to save as β= -0.206. This implies that an effort exerted to make PLS promotion more funny, exciting and joyful inversely affects customers' intention to save. Put in other words, a one unit increase in emotional affect decreases intention to save by 0.206 units, other independent variables held constant.

Thus, social compliance, utilitarian value, awareness and credibility dimensions of PLS promotion are statistically significant positive contributors to the customers' intention to save whereas emotional affect dimension negatively contributes to the outcome variable. Therefore, it can be concluded that most of the proposed Prize-Linked Saving (PLS) promotion dimensions positively affect customers' intention to save in CBE. Consequently, the following model is developed from the above regression analysis.

Where: Y= Customers' intention to save

$\beta_{o=}$ Constant; $\beta_{1,}$ $\beta_{2,}$ $\beta_{3,}$ β_4 and β_5 are coefficients of independent variables;

X_1= Awareness;

X_2= Credibility;

X_3= Emotional affect;

X_4= Social Compliance, and;

X_5= Utilitarian Value

$$\mathbf{Y= \beta_o + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5}$$

$$\mathbf{Y = 0.584 + (0.248X_1 + 0.188X_2 - 0.206X_3 + 0.412X_4 + 0.270X_5)}$$

Intention to save = **0.584 + (0.248** *Awareness **+ 0.188** *Credibility **- 0.206** *Emotional affect **+ 0.412** *Social compliance **+ 0.270*** Utilitarian value)

4.9. Hypothesis Testing and Discussion of Results

To this end of this chapter, hypothesis testing and its results is presented and discussed. In the beginning, five hypotheses were proposed to test the effect of Prize-Linked Saving (PLS) promotion on customers' intention to save behavior in CBE, and based on the analysis conducted so far these hypotheses are tested and results are discussed as follows.

Table 4.26: Table of Hypotheses Tested

Hypotheses	Beta	p<0.05	Result	Reason
H_1: Awareness has positive and significant effect on customers' intention to save;	0.248	0.000	Supported	β= 0.248; p<0.05
H_2: Credibility of PLS promotion has positive and significant effect on customers' intention to save;	0.188	0.000	Supported	β= 0.188; p<0.05
H_3: Emotional Affect of PLS promotion has a positive and significant effect on customers' intention to save;	- 0.206	0.000	Not Supported	β= - 0.206 p<0.05
H_4: PLS promotion's social compliance has significant and positive effect on customers' intention to save;	0.412	0.000	Supported	β=0.412; p<0.05
H_5: There is statistically significant and positive relationship between utilitarian values of PLS promotion and customers' intention to save;	0.270	0.000	Supported	β=0.270; p<0.05

***Source**: Own survey and SPSS v20.0 (August, 2018)*

H①: Awareness has a positive and significant effect on customers' intention to save;

PLS promotion's awareness creation ability, with standardized Beta value of β= 0.248 at p<0.05, is proved to have significant positive effect on intention to save. This implies

that, other variables held constant, a one unit increase in awareness improves customers' intention to save at bank by 0.248 units. In other words, as awareness increases or decreases by 1%, intention to save increases or decreases by 0.248%. Thus, awareness is a significant and positive predictor of customers' intention to save in CBE. Thus, *hypothesis 1 is statistically supported.*

H②: Credibility of PLS promotion has positive and significant effect on customers' intention to save;

With a beta value of 0.188, p0.000<0.05, credibility of PLS promotion is found to have a significant and positive effect on intention to save in Commercial Bank of Ethiopia. This confirms that, controlling other dimensions, an increase in the credibility of PLS by one unit can enhance intention to save by 0.188 units. Put it differently, if credibility improved by 100%, intention to save improves by 18.8%. Hence, *hypothesis 2 is statistically supported*.

H③: Emotional Affect of PLS promotion has a positive and significant effect on customers' intention to save;

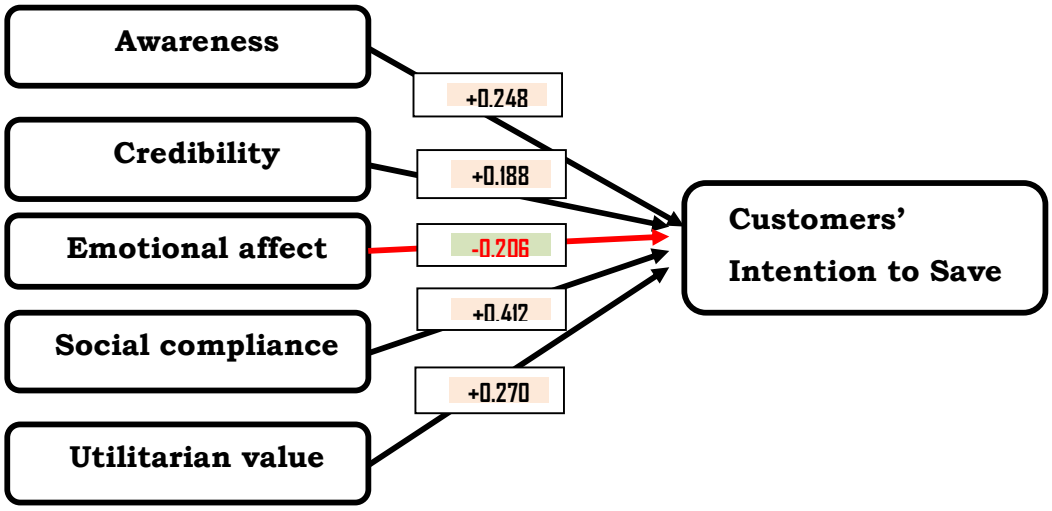
The hypothesis was formulated that emotional affect has positive and significant effect on intention to save. However, statistical regression analysis showed that emotional affect as a negative effect of β=-0.206 at p=0.000<0.05 on intention to save. This also implies that an improvement in emotional affect negatively affects the effectiveness of PLS promotion in intention to save. As PLS promotion become more and more enjoyable, exciting and funny, the intention to save due to PLS reduces significantly, other things kept constant. Put it differently, PLS promotion's emotional affect (a.k.a. hedonic value) is found to have significant but negative effect on intention to save. Therefore, *hypothesis 3 is not supported.*

H④: PLS promotion's social compliance has significant and positive effect on customers' intention to save;

Among the dimensions included in the study, social compliance is found to have the highest beta value of β=0.412 at p<0.05. Other sub variables held constant, a one unit

improvement in social compliance advances intention to save by 0.412 units. In other words, if the level of PLS social compliance can be increased by 100%, customers' intention to save will increase by 41.2%. Thus, it is proved to have significant positive effect on intention to save and because of that *hypothesis 4 is supported* in this study.

Figure 4.2: Beta Values of PLS promotion dimensions



***Source**: Own analysis, 2018*

H⑤: There is statistically significant and positive relationship between utilitarian values of PLS promotion and customers' intention to save;

In the study, utilitarian value is found to be among the the dimensions that are positively and significantly affecting intention to save. The result shows that β=0.270; $p<0.05$, which imply at $p<0.05$, when other variables kept constant, a 1% improvement in utilitarian value delivered by PLS can bring about 0.27% of customers' intention to save at bank. Therefore, utilitarian value has a significant and positive effect on intention to save and, thus, h*ypothesis 5 (H5) is statistically supported.*

To sum up, table 4.26 above displays the result of the hypothesis testing based on the standardized coefficient (β value) and P-value to decide whether the hypothesis is accepted or rejected. Accordingly, out of the hypotheses developed four of them are proved supported by statistical analysis whereas one hypothesis is rejected based

statistical tests conducted. Accordingly, as displayed in table 4.26, H1, H2, H4 and H5 are proved to be statistically supported whereas H3 is not supported.

4.10. Comparison between Groups' Responses to PLS Promotion

Studying the effect of PLS promotion in different categories may yield better result. Identifying areas where PLS will be more effective is very important finding for the study in that knowing the segment of people more attracted and responsive to the program might help implementers save their resources from wastage and earn better results in a relatively shorter period of time. Whether significant difference exists between responses across gender, age group, educational status and income groups, and to identify groups that are more responsive to PLS promotion, one way ANOVA tests for means comparison were conducted.

A one-way ANOVA is a type of statistical test that compares the variance in the group means within a sample whilst considering only one independent variable or factor (Field 2013). It is used when you have one independent variable (categorical) with three or more levels (groups) and one dependent variable. Thus, one-Way ANOVA were used to indicate whether there are significant differences in the mean scores on the PLS responses across ages, income, gender and educational qualification.

4.10.1. Gender and PLS Promotion

Cookson (2014) and Jeeva (2015) found out that PLS more appeals to female than men. In contrast to this, Tufano et al (2008) and Atalay et al (2011) concluded that men are more attracted toward PLS. In order to check which group is more responsive to PLS in CBE, one way ANOVA was conducted and the result is discussed.

Based on analysis, table 4.27 illustrates that the mean value of responses on the overall effect of PLS promotion with respect to awareness, credibility, emotional affect, social compliance and utilitarian value on men and women. Accordingly, the mean values of the effect of PLS on respondents' intention to save are found to be 3.12 (SD= 0.821) and 3.29 (SD=0.627) for male and female respondents, respectively.

Table 4.27: PLS promotion's Overall effect and Gender

		N	Mean	Std. Deviation	Std. Error	Between-Component Variance
Male		209	3.12	.821	.057	
Female		170	3.29	.627	.048	
Total		379	3.20	.744	.038	
Model	Fixed Effects			.740	.038	
	Random Effects				.087	.012

***Source**: Own survey and SPSS v20.0 (August, 2018)*

In addition table 4.28 depicts that these differences in results between gender groups is significant at p0.024<0.05. This clearly implies that women are more responsive to PLS in that significant difference exists between groups at p0.024<0.05. Therefore, it is concluded that females are significantly more attracted by PLS promotion than men and this finding is consistent with the findings of Cookson (2014) and Jeeva (2015) but it is against Tufano et al (2008) and Atalay et al (2011).

Table 4.28: ANOVA: Gender and Overall effect of PLS promotion

Intention To Save					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.828	1	2.828	5.164	.024
Within Groups	206.497	377	.548		
Total	209.326	378			

***Source**: Own survey and SPSS v20.0 (August, 2018)*

4.10.2. Age Group and PLS promotion

Regarding the relative effect of PLS promotion across age group, Tufano, Maynard & De Neve (2008) conducted a study on South Africa's MaMA Scheme and found the presence of stronger demand for PLS among younger persons than older ones. As shown in table 4.29 below the relationship between age group and overall PLS promotion is seen and

result showed that mean responses of respondents between 18-35 years is found greatest followed by age group of between 36-60 years with means score of 3.28 and 3.14, respectively. This indicates that customer between the age of 18-35 years old are more influenced by PLS promotion than other groups (less than 18 and above 35 years).

Table 4.29: Descriptive Result of Age Group and PLS promotion

Age group		N	Mean	Std. Deviation	Std. Error	Between – Component Variance
Below 18		16	2.98	.839	.210	
18-35		258	3.28	.715	.045	
36-60		92	3.14	.742	.077	
above 60		10	2.28	.514	.162	
Total		376	3.21	.741	.038	
Model	Fixed Effects			.723	.037	
	Random Effects				.175	.055

***Source**: Own survey and SPSS v20.0 (August, 2018)*

To check whether significant variation exists between customers' response for PLS across their age, test of ANOVA was also conducted and table 4.30 below also confirmed that significant difference exists across age groups of respondents. Accordingly customers' responsiveness to the efforts of PLS promotion significantly varies across their age group at significance level of p=0.001 and F>1.

Table 4.30: ANOVA of overall effect of PLS promotion across age

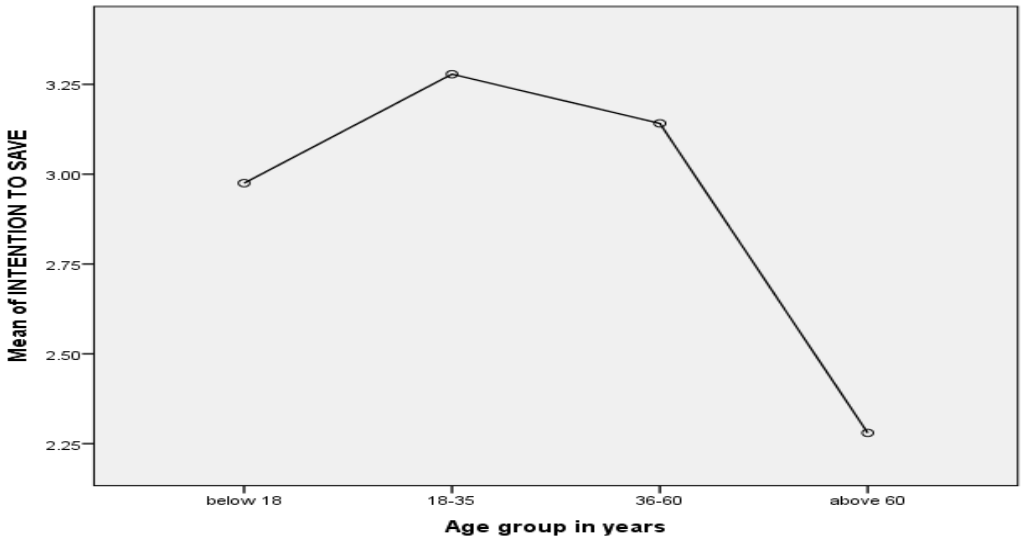
ANOVA					
INTENTION TO SAVE					
	Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
Between Groups	11.162	3	3.721	7.115	.001
Within Groups	194.527	372	.523		
Total	205.689	375			

***Source**: Own survey and SPSS v20.0 (August, 2018)*

Means plot taken from one way ANOVA test also clearly shows this significant difference that exists between age groups of respondents on the effect of PLS promotion. As shown in figure 4.3, customers within the age range of 18-35 years old followed by those between 35-60 years are more attracted toward PLS promotion in CBE.

According to this plot, effects of PLS on customers to encourage them intend to save gradually declines after age of 35 years. In other words, after age of 35 years, the higher the age of respondents the lesser the effect of PLS on their intention to save. This implies that demand for PLS among younger bank customers between the ages of 18-35 years is stronger than other age groups.

Figure 4.3: Effect of PLS promotion across customers' age



***Source**: Own survey and SPSS v20.0 (August, 2018)*

Therefore, results from descriptive statistics, one way ANOVA and means plot above showed that, there exist significant difference of the effect of PLS promotion on intention to save across customers' age and people above 18 but below 35 years old are more attracted toward PLS promotion in Commercial Bank of Ethiopia. This finding is consistent with Tufano, Maynard & De Neve (2008) that found the presence of slightly stronger demand among younger persons.

4.10.3. Educational Status and PLS promotion

Previous study conducted in South Africa by Peter Tufano his friends found that PLS product is more demanded by less educated people (Tufano et al 2008). To check whether respondents' educational status can predict the effect of PLS promotion in CBE, one way ANOVA test and descriptive analysis were conducted and results are shown in table 4.31 and figure 4.4. Accordingly, based on ANOVA value shown in table 4.31, difference across educational background of customers in CBE is significant at P<0.001. This implies that, there is a difference both within and between groups concerning response to PLS promotional efforts of CBE.

Table 4.31: ANOVA Overall PLS promotion and Educational status

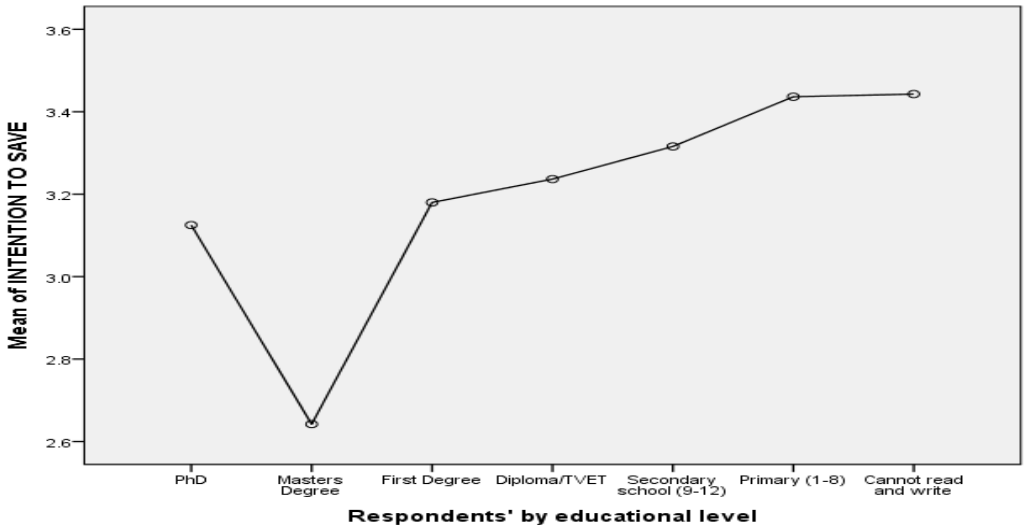
ANOVA					
Intention To Save					
	Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
Between Groups	15.233	6	2.539	4.866	.001
Within Groups	194.093	372	.522		
Total	209.326	378			

***Source**: Own survey and SPSS v20.0 (August, 2018)*

In addition, the following means plot (figure 4.4) clearly displayed the relationship that exists between intention to save due to PLS promotion and respondents' educational status. According to this plot, respondents who have no formal qualification (those who cannot read and write) are highly responsive to PLS promotion in CBE. As their qualification level increases (until first degree level) their responsiveness to PLS (their intention to save due to PLS) decreases.

Similarly, people who hold lower than first degree level are more attracted by PLS than others. The graph also shows that below first degree, the lower the educational qualification the higher their response to PLS. Thus, it is possible to conclude that people with lower qualification are more affected by PLS promotion in CBE as consistent with previous study's finding by Tufano et al (2008).

Figure 4.4: Effect of PLS promotion across educational status of Customers



***Source**: Own survey and SPSS v20.0 (August, 2018)*

4.10.4. Respondents' Income and PLS promotion

From the findings of previous studies it was known that poor people save proportionally less when compared to rich (Somasundaram 2015). However and perhaps contrary to this, the poor are much more likely to play lottery than their wealthier counter-parts (Tufano, 2008; 2011). Additionally, Tufano and Schneider (2008) stated one of the key reasons for the introduction of PLS promotion scheme as a product that is traditional vehicles for increasing saving are not generally successful at raising saving by individuals at the lower end of the wealth distribution. Thus it is intended in this study to answer the question "does really the poor are more affected by PLS to save more?"

Table 4.32: ANOVA Overall PLS promotion and income

ANOVA					
Intention to save					
	Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
Between Groups	12.897	4	3.224	6.128	.000
Within Groups	188.353	358	.526		
Total	201.250	362			

***Source**: Own survey and SPSS v20.0 (August, 2018)*

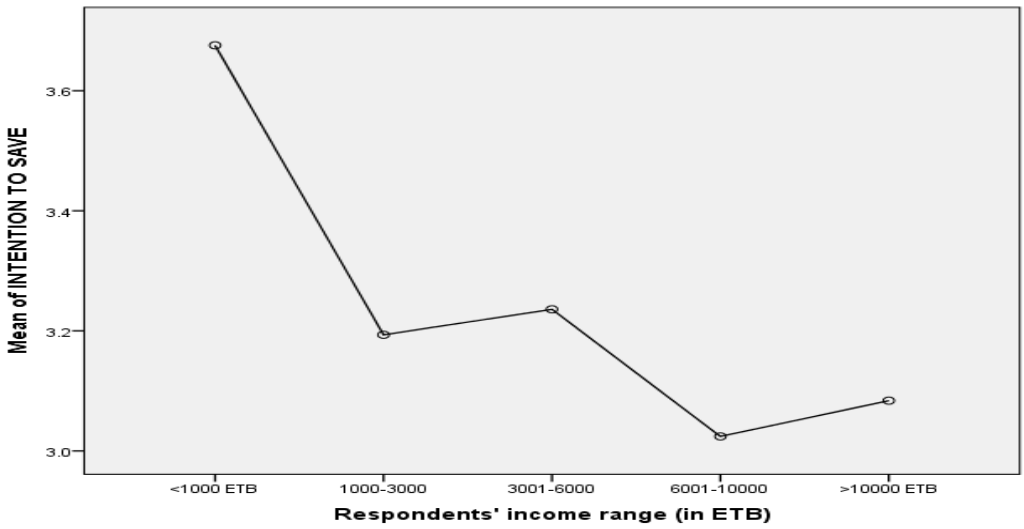
Table 4.33: Income level and intention to save due to PLS

Income bracket	N	Mean	Std. Deviation	Std. Error	Between-Component Variance
<1000 ETB	41	3.68	.526	.082	
1000-3000	106	3.19	.716	.070	
3001-6000	78	3.24	.695	.079	
6001-10000	95	3.02	.750	.077	
>10000 ETB	43	3.08	.892	.136	
Total	363	3.20	.746	.039	

***Source**: Own survey and SPSS v20.0 (August, 2018)*

Concerning the effects of PLS promotion on customers' intention to save in relation to their income, two highly contrasting findings prevail nowadays empirical literature. On one extreme Cookson (2014) found the PLS is more appealing to the rich people. On the other extreme Atalay (2014) Tufano et al (2008) and Tufano (2011) concluded that the poor and the vulnerable are more responsive to PLS promotion.

Figure 4.5: Income status and effect of PLS promotion



***Source**: Own survey and SPSS v20.0 (August, 2018)*

To check which group (poor or rich?) is more responsive to CBE's PLS promotion, one way ANOVA for comparison of means was conducted and results are discussed here. According to data (table 4.32), the difference within and between groups is significant at $p<0.001$. As depicted in table 4.33, respondents with average monthly income less than 1000 ETB are more responsive with overall mean score of 3.68 than relatively higher income groups. Figure 4.5 also displays the trend between income group and effect of PLS promotion on respondents. As it is clearly seen in figure, respondents with lower than 100 ETB are more responsive for PLS promotion. Trend after this point is no linear with income.

Thus, it is concluded that customers with very low incomes are more influenced by PLS promotion. According to Kearney et al. (2011), prize-linked saving blends both prudence and fun attributes to entice the vast population, but notably it has substantially attracted the low-income group and unbanked segments of the population. The result is also supportive with Tufano et al (2008) findings that concluded PLS appeals more to the poor people.

CHAPTER FIVE
CONCLUSION AND RECOMMENDATION

This chapter summarizes major findings of the study, concludes them and, based on these findings and conclussions, forwards some appropriate recommendations. Finally, limitations of the study and areas for future research are also highlighted.

5.1. Summary of Major Findings

The primary aim of the study was to assess the effect of prize-linked saving promotion on intention to save in Commercial Bank of Ethiopia. For this study questionnaire was used to collect data from sample customer respondents, and out of 403 questionnaire papers distributed to 25 randomly selected branches in four target districts, 379 of them were returned and found usable for analysis. Overall reliability test shows Cronbach's alpha of 0.927, and other assumptions, like normality, linearity, multicollinearity and homo-scedasticity tests that were necessary for correlation and multiple linear regression analysis were checked and confirmed acceptable. Based on the analyses, the following major findings are summrized:

The first objective of the study was to assess the effect of awareness created through PLS on customers' intention to save. Descriptive analysis reveals that PLS promotion is playing vital role in awareness creation about saving money at bank. Similarly, awareness about saving (which is created through PLS promotion) is found to have a significant positive correlation with intention to save. More supportive to these, as regression analysis revealed, awareness is found to be statistically significant positive contributor to the customers' intention to save. Therefore, for the PLS promotion to be effective, its awareness creation ability is very crucial.

The second objective was to measure the extent and type of relationship between credibility of PLS and intention to save. According to result, overall procedures involved in PLS promotion of CBE is fairly credible except respondents are not sure whether prizes are drawn transparently and coupons are reliable enough. From regression analysis

it is confirmed that credibility of PLS is statistically significant positive contributor to the customers' intention to save.

The third objective of the study was about testing the effect of emotional affect of PLS on intention to save. Result shows that PLS promotion is attractive, enjoyable, exciting, and encouraging which implies the existence of significant effect of PLSP on affecting emotions of customers. However, this effect is proved to be negative by regression analysis in that PLS promotion negatively affects to intention to save. This implies that any effort exerted to make PLS promotion more emotionally touching may result in declining intention to save.

The fourth objective was to assess the effect of PLS social compliance on intention to save, and result shows social compliance has strong and positive correlation with intention to save. It is also summarized that, among the dimensions involved in this study, social compliance of PLS is the largest predictor of intention to save in CBE. Thus, for the PLSP to be successful enough it is mandatory to have sufficiently complied with basic social, cultural and religious norms of the society.

The other objective of the study was to describe the effect of the utilitarian value of PLSP on intention to save. Accordingly, descriptive result shows that PLS promotion slightly satisfies utilitarian values. It is also found with regression analysis that utilitarian value is one of the significant positive contributors to intention to save.

The last objective of the study was to identify groups of customers that are more responsive to PLS promotion. Results from one way ANOVA test for comparison of means show that female, young people between 18-35 years old, less educated people, and people with average monthly income less than 1000 ETB are more responsive to PLS promotion. This implies, exerting efforts in these more responsive segments yield better result.

5.2. Conclusion

According to literatures, Prize-Linked Saving (PLS) products are an exciting way to engage consumers to save without any downside of losing as it combines traditional

savings account feature of guaranteed principal with a lottery with a large (life changing) payoff. Studies on emprical evidences uncovered that proportion of income spent on lotteries is negatively correlated with income. Similarly, introducing lottery elements to savings seems to represent a promising policy tool to encourage savings, in particular among low-income households. Supportive to this, PLS accounts are particularly appealing to heavy lottery players, non-savers and low-savers.

Result from Pearson correlation analysis revealed that all of the dimensions used to measure the effect of PLS promotion were found to be positively correlated to customers' intention to save with a varying degrees of correlation. Social compliance and utilitarian value dimensions were found to have strong positive correlation with intention to save, whereas awareness, credibility and emotional affect dimensions were confirmed to have significant moderate positive correlation with intention to save. Therefore, it is concluded that PLS promotion is positively correlated with customers' intention to save.

From multiple linear regression analysis, it is revealed that most of the proposed Prize-Linked Saving (PLS) promotion dimensions have positive and significant effect on customers' intention to save in CBE. Accordingly, four of the five dimensions proposed, namely, social compliance, utilitarian value, awareness and credibility dimensions of PLS are concluded to be positive contributors to PLS promotion effectiveness and this in turn positively affects customers' intention to save. The remaining dimension, i.e. emotional affect (a.k.a. hedonic value), concluded to be the negative contributor to intention to save. This implies that, enhancing the extent of PLS promotion's emotional affect dimension will decreases the customers' intention to save in CBE. Hence, possible to conclude that, customers are more interested in PLS if it adequately complies with social norms, can provide valid tangible consumption value, generate strong awareness about saving, and become credible enough to the public.

In addition, one way ANOVA test for comparison of means showed that women, young, less educated, low income group individuals are more responsive to PLS promotion Therefore, it is concluded that all proposed PLS promotion dimensions, except emotional affect, are desirable factors to improve customers' intention to save. But, social compliance is the most important determinant factor which determines the effectiveness

of PLS promotion in improving customers' intention to save. Thus, it is very important to pay a great attention to comply with social values, norms and cultures in the implementation of PLS promotion in CBE.

5.3. Recommendations

The findings of this study clearly showed that Prize-Linked Saving promotion has a positive and significant effect on customers' intention to save. It also contributes to about 8% of the bank's total customer base and play a vital role in bringing a long term saving habit for customers. Moreover, women, young people and low income groups are found to be the most responsive segment of population to PLS promotion, and having complied to the social values and norms is the best contributor to the effectiveness of PLS promotion. Based on these and other findings, the following suggestions are provided.

- ☞ Promotional efforts on PLS program should focus more on highly responsive segment of population. Accorging to data women, low income people, less educated persons and the young segment of population are highly responsive to PLS promotion. Thus exerting efforts selectively on these groups is expected to yield better result.
- ☞ Improve credibility of PLS scheme through ensuring transparency of the lottery drawing procedure. For the program to be credible enough, the PLS lottery drawing procedure should be transmitted live to the people at large through electronic media and the bank should anounce the date, time and place of the lottery drawing in advance to the public.
- ☞ Since social compliance was found to be the most important determinant of PLS promotion success, it will be very fundamental to revise the promotional program under study to make it more acceptable by the public in terms of social, cultural and religious values of the country.
- ☞ Emotional affect dimension was found to have negative effect on intention to save through PLS promotion. Therefore, do not focus on touching emotions while promoting this program. Elements like funny, excitement and joyfulness should be avoided from PLS advertisings.

- ☞ Focus on awareness creation about PLS promotion. Customers should be informed enough about the unique features of PLS and benefits attached with that in a clear and understandable way rather than trying to entice them.

5.4. Limitation and Area of Future Research

This research assessed the effect of PLS promotion on customers' intention to save in Commercial Bank of Ethiopia. The study focused on assessing the demand side perception (customer side perception) on the subject and hence supply side analysis is not included. Thus one of its limitations is its single sidedness. The second limitation is associated with the representativeness of the study area. It was focused on branches located in and around Addis Ababa city and may not be generalized to the whole country. The third limitation emanates from the complexity associated with exactly measuring the effects of PLS program on bank's performance since many factors interfere and contribute alongside PLS, including aggressive advertizing, bank's longstanding strong image, service-excellence, positive word of mouth communications from satisfied customers, branch expansion, and different publicities and public relations efforts of the bank.

Future researches may focus on both side analyses. It is also recommended to focus on the assessment of the effect of PLS on overall real deposit level, across cultures and geographic areas. Similar studies may also be done by incorporating the influence of gender, occupation, and other demographic variables on customers' attitude. Furthermore, the role of PLS in enhancing long term saving habit can be another area of future research. Other areas of research may also be the attitude of customers and non customers toward PLS promotion.

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Annex - 01:
Questionnaire

SCHOOL OF COMMERCE

DEPARTMENT OF MARKETING MANAGEMENT

To Be Filled By Customer Respondents

Dear respondent, the primary aim of this questionnaire is to collect data as an input for the study on the ***"The Effect of Prize-Linked Saving Promotion on customers' intention to save Behavior in Commercial Bank of Ethiopia"*** for the purpose of partial fulfillment for Masters of Arts Degree in Marketing Management from Addis Ababa University School of Commerce. Therefore, please take time to fill this questionnaire based on your perceptions, understandings, experiences and actions regarding PLS promotions conducted by CBE. Since your reliable information is very crucial for the success of the study, please be honest for yourself to objectively provide responses. Your ideas will be kept confidential, thus, feel free to provide answers to all questions. Put the ☑ sign alongside options that best represent your opinion.

Fekiru Kenea, Graduating student

PART ONE: PERSONAL PROFILES

1. Gender:
   - ☐ 1. Male
   - ☐ 2. Female
2. Age (in years):
   - ☐ 1. Below 18
   - ☐ 2. 18 – 35
   - ☐ 3. 36 – 60
   - ☐ 4. Above 60

3. Highest Educational Level achieved:
   - ☐ 1. PhD
   - ☐ 2. Masters Degree
   - ☐ 3. First degree
   - ☐ 4. Diploma/TVET
   - ☐ 5. High school (9-12)
   - ☐ 6. Primary school (1-8)
   - ☐ 7. Cannot read and write
4. Occupation:
   - ☐ 1. Employed by Government
   - ☐ 2. Employed by private/ NGO
   - ☐ 3. Self employed/ businessperson
   - ☐ 4. Daily laborer
   - ☐ 5. Student
   - ☐ 6. Unemployed

5. Estimated average monthly income (in Birr)
   - ☐ 1. <1000 Birr
   - ☐ 2. 1000 – 3000
   - ☐ 3. 3001- 6000
   - ☐ 4. 6001 – 10,000
   - ☐ 5. >10,000 **Birr**
6. For how long have you been a customer of Commercial Bank of Ethiopia?
   - ☐ 1. Less than 1 year
   - ☐ 2. Between 1 and 5 years
   - ☐ 3. Between 5 and 10 years
   - ☐ 4. Greater than 10 years

7. Do you have any savings account in other banks before you come to CBE?
   - ☐ 1. Yes
   - ☐ 2. No
8. Which of the following statements best describes your saving habits?

☐ 1. Usually spend more than income (Negative saving)
☐ 2. Usually spend about as much as income (Zero saving)
☐ 3. Save whatever is left over at the end of the month (irregular saving)
☐ 4. Save regularly by putting money aside each month (Planned and regular saving)

9. Which factor do more influenced you to become a customer of the bank? (Multiple options possible)
☐ 1. Advertisement of the Bank
☐ 2. Family/Friend recommendation
☐ 3. Explanation by Bank's employees
☐ 4. Bank's branch location /proximity/
☐ 5. Service excellence /better than others/
☐ 6. The presence of Prize linked saving promotion
☐ 7. My employer orientation (salary account)
☐ 8. Other factor_____

10. For how many rounds did you participated in PLS promotion?
☐ 1. Once
☐ 2. Twice
☐ 3. Three rounds
☐ 4. ≥ Four rounds

11. Have you ever won the PLS lottery prize?
☐ 1. Yes
☐ 2. No

12. If "No" for Q#11, what were your actions after knowing you don't won?
☐ 1. Continue saving in the same pace
☐ 2. No saving no withdrawal
☐ 3. Withdraw all balance
☐ 4. Other_____

PART TWO: MAIN BODY

2.1. ASSESSMENT ON THE EFFECT OF CBE'S PLS PROMOTION

Put "√" on the option that best describes your attitude toward PLS (Save-and-Win) program in the following likert scale questions by using the following scales:

✍ **1= Strongly Disagree; 2= Disagree; 3= Neutral; 4= Agree; 5= Strongly Agree**

S.N.	STATEMENTS	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
Awareness Creation						
1	PLS promotion is strong enough to create awareness about saving;	☐	☐	☐	☐	☐
2	PLS helps to understand the importance of saving;	☐	☐	☐	☐	☐
3	CBE's PLS promotions taught me that I need to save.	☐	☐	☐	☐	☐
4	Save-to-win promotion helps to think about saving;	☐	☐	☐	☐	☐
5	CBE's PLS promotion influences to increase saving;	☐	☐	☐	☐	☐
Credibility						
6	Prize-Linked Saving promotion prizes offered by Commercial Bank of Ethiopia are real;	☐	☐	☐	☐	☐
7	The lottery coupon number delivered through SMS is reliable;	☐	☐	☐	☐	☐
8	Prize draw processes were transparent enough to the public;	☐	☐	☐	☐	☐
9	I feel safe of my principal and accrued interest in PLS;	☐	☐	☐	☐	☐
10	I believe prizes are delivered to winners as exactly as promised;	☐	☐	☐	☐	☐

Emotional Affect						
11	Prizes offered by PLS are attractive, enjoyable and exciting;	☐	☐	☐	☐	☐
12	Prize award ceremonies are encouraging to participate;	☐	☐	☐	☐	☐
13	I feel good when I participate in PLS promotion;	☐	☐	☐	☐	☐
14	Saving to get coupon for prizes is an enjoyable practice;	☐	☐	☐	☐	☐
15	PLS promotion excite me to save regularly;	☐	☐	☐	☐	☐
16	I liked PLS promotion of CBE in general;	☐	☐	☐	☐	☐
Social compliance						
17	I liked PLS promotion of CBE because of most of my friends and families are preferring it;	☐	☐	☐	☐	☐
18	I am willing to participate in PLS scheme because many people I know are participating;	☐	☐	☐	☐	☐
19	CBE's PLS scheme is socially, culturally and religiously acceptable practice;	☐	☐	☐	☐	☐
Utilitarian value						
20	Lottery Coupon delivery process (SMS) during deposit is quick and convenient enough;	☐	☐	☐	☐	☐
21	Getting a chance of prizes lottery is an additional benefit that I get in PLS promotion than in other deposit products;	☐	☐	☐	☐	☐
22	PLS promotion remind me that I must have to save;	☐	☐	☐	☐	☐
23	I think that PLS promotion helps in consumption reduction;	☐	☐	☐	☐	☐

2.2. CUSTOMERS' INTENTION TO SAVE BEHAVIOR

The following likert scale questions ask you the extent to which PLS affected your saving related behavior. Therefore, indicate on the scale of *one (1) to five (5), where;* **1= Strongly Disagree; 2= Disagree; 3= Neutral; 4= Agree; 5= Strongly Agree;** to the extent you believed you are affected by Prize-Linked Saving scheme introduced by Commercial Bank of Ethiopia.

	STATEMENTS	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
1	CBE's PLS promotion encouraged me think about saving;	☐	☐	☐	☐	☐
2	I was influenced by CBE's PLS promotion to become banked;	☐	☐	☐	☐	☐
3	CBE's PLS promotion encouraged me start regular saving in the bank;	☐	☐	☐	☐	☐
4	I usually save more money during PLS promotion;	☐	☐	☐	☐	☐
5	I usually deposit money in to bank account whenever I get exposure to PLS advertising;	☐	☐	☐	☐	☐
6	I usually withdraw money from my saving account at other bank and deposited it in my account at CBE;	☐	☐	☐	☐	☐
7	I usually postpone the purchase of a good (any major expense) during PLS to another time;	☐	☐	☐	☐	☐
8	I usually feel unhappy to withdraw money from my savings account during PLS promotion;	☐	☐	☐	☐	☐
9	Participating in PLS helped me reduce my current consumption;	☐	☐	☐	☐	☐
10	With PLS promotion I have learned that I am able to save;	☐	☐	☐	☐	☐

Thank you for your cooperation!

Fekiru Kenea

fikrukenea@gmail.com

አዲስ አበባ ዩኒቨርሲቲ

የንግድ ስራ ትምህርት ቤት፣ድህረ ምረቃ ፕሮግራም

ማርኬቲንግ ማኔጅመንት ትምህርት ክፍል

ለደንበኞች የቀረበ መጠይቅ

ውድ መላሽ፣ በመጀመሪያ ይህንን መጠይቅ ለመሙላት ፈቃደኛ በመሆንዎ በጣም አመሰግናለሁ። የመጠይቁ ዋና አላማ በአዲስ አበባ ዩኒቨርሲቲ ንግድ ስራ ኮሌጅ ለማርኬቲንግ ማኔጅመንት ድህረ ምረቃ ፕሮግራም ማሟያ የሚዉል ***"የኢትዮጵያ ንግድ ባንክ የ"ይቆጥቡ ይሸለሙ" መርሃ ግብር በደንበኞች የቁጠባ ልምድ ላይ ያመጣዉ ዉጤት"*** ***("Effect of Prize-Linked Saving Promotion on Customers' Intention to Save Behavior")***በሚል ርእስ ለሚካሄደዉ ጥናት እንደ ግብአት የሚያገለግል መረጃ ለመሰብሰብ ሲሆን በጉዳዩ ላይ እርስዎ የሚሰጡኝ መረጃ ለጥናቱ ስኬት ወሳኝ ነዉ። በመሆኑም ከተሰጡት አማራጮች መካከል ሃሳቤን በትክክል ይገልፅልኛል ብለዉ ባሰቡት አማራጭ አጠገብ የ "√" ምልክት በማድረግ እንዲመልሱ እየጠየኩኝ የሚሰጡኝ ማንኛዉም መረጃ በሚስጥር የሚያዝ መሆኑን ለመግለፅ እወዳለሁ።

ፍቅሩ ቀነዓ፣ አጥኚ ተመራቂ ተማሪ

ዲስትሪክት_____ **ቅርንጫፍ**_____

ክፍል አንድ፤ የግል ሁኔታ

1. *ፆታ፤*

   ☐ 1. ወንድ
   ☐ 2. ሴት

2. እድሜ፤

   ☐ 1. ከ18 በታች
   ☐ 2. 18 – 35
   ☐ 3. 36 – 60
   ☐ 4. ከ60 በላይ

3. የትምህርት ደረጃ ፤

1. ፒ.ኤች.ዲ
2. ሁለተኛ ዲግሪ
3. የመጀመርያ ዲግሪ
4. ዲፕሎማ/ቴክኒክና ሙያ
5. ሁለተኛ ደረጃ/9-12/
6. አንደኛ ደረጃ /1-8/
7. መፃፍና ማንበብ የማይችል

4. የተሰማሩበት የስራ መስክ፤

1. የመንግስት ሠራተኛ
2. የግል ድርጅት / NGO ሠራተኛ
3. የግል ስራ ላይ የተሠማራ
4. የቀን ሠራተኛ
5. ተማሪ
6. ስራ የሌለዉ

5. አማካይ ወርሃዊ ገቢ፤

1. ከ1000 ብር በታች
2. ከ1000 ብር – 3000 ብር
3. ከ3001 ብር - 6000 ብር
4. ከ6001 ብር – 10,000 ብር
5. ከ10,000 ብር በላይ

6. የባንኩ ደንበኛ ከሆኑ ምን ያክል ዓመት ሆነዎታል?

1. ከአንድ ዓመት በታች
2. ከ1-5 ዓመት
3. ከ6-10 ዓመት
4. ከ10 ዓመት በላይ

7. ከዚህ በፊት በሌላ ባንክ የቁጠባ ሂሳብ ከፍተዉ ያዉቃሉ?

1. አዎን
2. አላውቅም

8. ከሚከተሉት ዉስጥ የርስዎን የቁጠባ ልምድ በትክክል የሚገልፀዉ የትኛዉ አገላለፅ ነዉ?

- ☐ 1. አብዛኛዉን ጊዜ ከገቢዬ በላይ አወጣለሁ
- ☐ 2. አብዛኛዉን ጊዜ ከገቢዬ እኩል አወጣለሁ
- ☐ 3. በወሩ መጨረሻ ላይ ከወጪ የተረፈኝን እቆጥባለሁ
- ☐ 4. በቋሚነት በየወሩ የተወሰነ ገንዘብ እቆጥባለሁ

9. የባንኩ ደንበኛ እንዲሆኑ ትልቁን ሚና የተጫወተዉ አካል ማነዉ? (ከአንድ በላይ መምረጥ ይቻላል)

- ☐ 1. የባንኩ ማስታወቂያ
- ☐ 2. የቤተሰብ /ጓደኛ አነሳሽነት
- ☐ 3. በባንኩ ሰራተኞች የተሰጠኝ ገለፃ
- ☐ 4. የባንኩ ቅርንጫፍ ባቅራቢያዬ መገኘት
- ☐ 5. ባንኩ የተሻለ አገልግሎት መስጠቱ
- ☐ 6. የይቆጥቡ ይሸለሙ ፕሮግራም መኖሩ
- ☐ 7. በመስርያ ቤቴ በኩል ታዝገፎ (የደሞዝ ሂሳብ)
- ☐ 8. ሌላ ካለ----------

10. በይቆጥቡ ይሸለሙ ፕሮግራም ላይ ለምን ያህል ጊዜ ተሳትፈዋል? (ስንት ዙሮች ተሳተፉ?)

- ☐ 1. ለመጀመርያ ጊዜ
- ☐ 2. ለሁለተኛ ጊዜ
- ☐ 3. ለሶስተኛ ጊዜ
- ☐ 4. ለአራትና ከዚያ ጊዜያት

11. የይቆጥቡ ይሸለሙ ዕጣ አሸናፊ ባለዕድለኛ ሆነዉ ያዉቃሉ?

- ☐ 1. አዎን አዉቃለሁ
- ☐ 2. አላዉቅም

12. ለጥያቄ ቁጥር 11 መልስዎ #አላዉቅም; ከሆነ አሸናፊ አለመሆንዎትን ስያዉቁ ምን አደረጉ?

- ☐ 1. በተመሳሳይ ሁኔታ መቆጠቤን እቀጥላለሁ
- ☐ 2. ተጨማሪ ገቢም ሆነ ወጪ አላደርግም
- ☐ 3. ያለኝን ቀሪ ሂሳብ በሙሉ አወጣ ነበር
- ☐ 4. ሌላ ካለ _____

ክፍል ሁለት፤ አብይ ጥያቄዎች

ለሚከተሉት ዓረፍተ-ነገሮች ከተሰጡት ከ ፣ እስከ 5 ካሉት አማራጮች መካከል ሃሳቤን በትክክል ይገልፅልኛል ብለዉ የሚያምኑት አማራጭ ቁጥር ስር የ'' √ '' ምልክት ያድርጉ። ቀጥሎ ያለዉን ስኬል ይጠቀሙ።

በጣም አልስማማም	አልስማማም	ገለልተኛ	እስማማለሁ	በጣም እስማማለሁ
1	2	3	4	5

2.1. የኢትዮጵያ ንግድ ባንክ የይቆጥቡ ይሸለሙ መርሃ-ግብር ተጽዕኖ ዳሰሳ

ተ.ቁ	መግለጫዎች	በጣም አልስማማም	አልስማማም	ገለልተኛ	እስማማለሁ	በጣም እስማማለሁ
	ሀ. ግንዛቤ ፈጠራ	1	2	3	4	5
1	የይቆጥቡ ይሸለሙ መርሃ ግብር ስለ ቁጠባ ግንዛቤ መፍጠር የሚችል ጠቃሚ ፕሮግራም ነዉ					
2	የይቆጥቡ ይሸለሙ መርሃ ግብር የቁጠባን ጠቀሜታ በሚገባ ያስተምራል					
3	የይቆጥቡ ይሸለሙ መርሃ ግብር መቆጠብ እንደሚገባ ያስተምራል					
4	የይቆጥቡ ይሸለሙ መርሃ ግብር ሰዉ ስለ ቁጠባ ማሰብ እንዲጀምር ይረዳል					
5	የይቆጥቡ ይሸለሙ መርሃ ግብር ቁጠባ እንድጨምር ያነሳሳል					
	ለ. ተአማኒነት	1	2	3	4	5
6	ለይቆጥቡ ይሸለሙ የቀረቡ ሽልማቶች ተጨባጭና እዉነተኛ እንደሆኑ አምናለሁ					
7	በአጭር የዕሁፍ መልእክት የሚላኩት የሎተሪ ኩፖን ቁጥሮች አስተማማኝ ናቸዉ					
8	የይቆጥቡ ይሸለሙ መርሃ-ግብር ዕጣ አወጣጥ ስነ ስርዓት በግልፅ የሚካሄድ ነዉ					
9	በመርሃ ግብሩ ላይ ስሳተፍ ዋና ገንዘቤን ከነወለዱ ስለማላጣ ምንም ስጋት የለኝም					
10	ሽልማቶቹ ልክ እንደተባሉ በትክክል ለባለ					

	ዕድለኞቹ ይተላለፉሉ ብዬ አምናለሁ					
ሐ. ስሜት ቀስቃሽነት		**1**	**2**	**3**	**4**	**5**
11	ለይቆጥቡ ይሸለሙ ይሚቀርቡ ሽልማቶች ሳቢ፣ አስደሳችና አጓጊ ናቸዉ					
12	ይሸልማት አሰጣጥ ስነ ሰርአቶቹ ግልፅ፣አስደሳችና አሳማኝ ናቸዉ					
13	የይቆጥቡ ይሸለሙ የሎተሪ ኩፖን ቁጥር ሲላክልኝ ጥሩ ስሜት ይሰማኛል					
14	በመቆጠቤ ብቻ ለሽልማት እጣ ብቁ የሚያደርገኝን ኩፖን ማግኘቴ ያስደስተኛል					
15	የይቆጥቡ ይሸለሙ መርሃ ግብር መደበኛ ቆጣቢ እንድሆን ያነሳሳኛል					
16	ባጠቃላይ የኢትዮጵያ ንግድ ባንክ የይቆጥቡ ይሸለሙ መርሃ ግብርን ወድጀዋለዉ					
መ. ማህበራዊ ተቀባይነት		**1**	**2**	**3**	**4**	**5**
17	አብዛኞቹ ጓደኞቼና የቅርብ ቤተሰቦቼ የይቆጥቡ ይሸለሙ መርሃ ግብርን መምረጣቸው እኔም እንድመርጥ አድርጎኛል					
18	ብዙ የማዉቃቸዉ ሰዎች በይቆጥቡ ይሸለሙ መርሃ ግብር ላይ ስለሚሳተፉ እኔም እንድሳተፍ አነሳስቶኛል					
19	የይቆጥቡ ይሸለሙ መርሃ ግብር በማህበራዊ፣ ባህላዊና ሃይማኖታዊ እይታዎች ረገድ ተቀባይነት ያለዉ ድርጊት ነዉ ብዬ አምናለሁ					
ሠ. ተጨባጭ ጠቀሜታ		**1**	**2**	**3**	**4**	**5**
20	ገንዘብ ገቢ በማደርግበት ግዜ የሎተሪ ኩፖን ቁጥር አሰጣጥ ስርዓት ፈጣንና ምቹ ነዉ					
21	በመቆጠቤ ብቻ የሎተሪ ኩፖን ማግኘቴ ከሌላ የቁጠባ አይነቶች የተሻለ ጥቅም እንደሆነ አምናለሁ					
22	የይቆጥቡ ይሸለሙ መርሃ ግብር መቆጠብ እንደሚገባኝ ያስታዉሰኛል					
23	የይቆጥቡ ይሸለሙ መርሃ ግብር የፍጆታን ወጪ ለመቀነስ እንደሚያግዝ ተረድቻለዉ					

2.2. የይቆጥቡ ይሸለሙ መርሃ-ግብር በደንበኞች የመቆጠብ ሃሳብ ላይ ያመጣዉ ዉጤት

	የደንበኞች የቁጠባ ሃሳብ መገለጫዎች	በጣም አልስማማም	አልስማማም	ገለልተኛ	እስማማለሁ	በጣም እስማማለሁ
1	የይቆጥቡ ይ`ለሙ መርሃ ግብር መኖር ስለ ቁጠባ እንዳስብ ረድቶኛል					
2	የይቆጥቡ ይሸለሙ መርሃ ግብር የባንክ ደንበኛ እንድሆን በጎ ተዕእኖ ፈጥሮብኛል					
3	በkሚነት መቆጠብ እንድጀምር የይቆጥቡ ይሸለሙ መርሃ ግብር ሚና ከፍተኛ ነዉ					
4	የይቆጥቡ ይሸለሙ መርሃ ግብር በሚኖርበት ጊዜ ከሌላ ጊዜ በተሻለ እቆጥባለሁ					
5	የይቆጥቡ ይሸለሙ ማስታወቂያ ካየሁኝ/ከሰማሁኝ/ካነበብኩኝ በ	ላ አብዛኛዉን ግዜ የባንክ ሂሳቤ ላይ ገንዘብ አጠራቅማለሁ				
6	በይቆጥቡ ይሸለሙ ወቅት ከሌላ ባንክ ከነበረኝ ገንዘብ ወጪ በማድረግ በኢትዮጵያ ንግድ ባንክ ሂሳቤ ላይ ገቢ አደርጋለሁ					
7	በይቆጥቡ ይሸለሙ ወቅት መግዛት የነበረብኝን እቃ (ወሳኝ የሆነን ወጪ) ለሌላ ጊዜ አስተላልፌ ገንዘቡን ለተወሰነ ጊዜ የመቆጠብ ልምድ አለኝ					
8	የቆጠብኩትን ገንዘብ በይቆጥቡ ይሸለሙ ወቅት ወጪ ማድረግ አያስደስተኝም					
9	በይቆጥቡ ይሸለሙ መርሃ ግብር ምክንያት መቆጠቤ ፍጆታዬን እንድቀንስ ረድቶኛል					
10	በይቆጥቡ ይሸለሙ መርሃ ግብር መኖር የመቆጠብ አቅም እንዳለኝ አዉቄበታለሁ					

የይቆጥቡ ይሸለሙ መርሃ ግብርን በተመለከተ ተጨማሪ አስተያየት ካለዎት _____

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ለትብብርዎ በጣም አመሰግናለዉ!

ANNEX 03: SAMPLING FRAME

ANNEX-03a
SAMPLING FRAME- BRANCHES
WEST ADDIS ABABA DISTRICT

S.N	Code	Branches	S.N	Code	Branches
1	WAAD1	18 Adebabay Branch	57	WAAD57	Habtegiorgis Branch
2	WAAD2	18 Mazoria Branch	58	WAAD58	Harbu Chulele Branch
3	WAAD3	3 Kuter Mazoria Branch	59	WAAD59	Hawariat Branch
4	WAAD4	Aba Gare Branch	60	WAAD60	Hulbareg Branch
5	WAAD5	Abakoran Branch	61	WAAD61	Hunegnaw Mera Branch
6	WAAD6	Abdi Nono Branch	62	WAAD62	Kara Kore Branch
7	WAAD7	Abinet Branch	63	WAAD63	Kella Branch
8	WAAD8	Addis Ketema Branch	64	WAAD64	Kentri Branch
9	WAAD9	Addisu Michael Branch	65	WAAD65	Kerabu Branch
10	WAAD10	Aferen Woliso Branch	66	WAAD66	Keranio Branch
11	WAAD11	Agena Branch	67	WAAD67	Kibet Branch
12	WAAD12	Alem Bank Branch	68	WAAD68	Kolfe Branch
13	WAAD13	Alem Gena Branch	69	WAAD69	Kosie Branch
14	WAAD14	Alicho Wiraro Branch	70	WAAD70	Lemen Branch
15	WAAD15	Anfo Branch	71	WAAD71	Lomi Meda Branch
16	WAAD16	Anwar Mesgid Branch	72	WAAD72	Mareko Branch
17	WAAD17	Arat Menta Branch	73	WAAD73	Mehal Amba Branch
18	WAAD18	Arategna Mazoria Branch	74	WAAD74	Mehal Gebeya Branch
19	WAAD19	Ashewa Meda Branch	75	WAAD75	Merkato Branch
20	WAAD20	Asko Addis Sefere Branch	76	WAAD76	Mesalemiya Branch
21	WAAD21	Atena Tera Branch	77	WAAD77	Militeri Tera Branch
22	WAAD22	Atkilt Tera Branch	78	WAAD78	Misrak Azernet Branch
23	WAAD23	Atobis Tera Branch	79	WAAD79	Mobil Akababi Branch
24	WAAD24	Awash Melka Branch	80	WAAD80	Mogle Terara Branch
25	WAAD25	Ayer Tena Adebabay Branch	81	WAAD81	Paulos Branch
26	WAAD26	Ayer Tena Branch	82	WAAD82	Repi Branch
27	WAAD27	Bantu Branch	83	WAAD83	Sankura Branch
28	WAAD28	Bekur Branch	84	WAAD84	Satin Tera Branch
29	WAAD29	Berebre Berenda Branch	85	WAAD85	Sebategna Branch
30	WAAD30	Betel Branch	86	WAAD86	Sebeta Branch
31	WAAD31	Bomb Tera Branch	87	WAAD87	Seden Tulema Branch
32	WAAD32	Bui Branch	88	WAAD88	Sefere Eyor Branch
33	WAAD33	Burka Branch	89	WAAD89	Sefere Selam Branch
34	WAAD34	Bussa Branch	90	WAAD90	Shema Tera Branch
35	WAAD35	Butajira Branch	91	WAAD91	Shinkurt Tera Branch

36	WAAD36	Coca Mazoria Branch	92	WAAD92	Sidamo Tera Branch
37	WAAD37	Dalocha Branch	93	WAAD93	Somale Tera Branch
38	WAAD38	Darge Branch	94	WAAD94	Tabot Maderia Branch
39	WAAD39	Dubay Tera Branch	95	WAAD95	Taiwan Branch
40	WAAD40	Edget Branch	96	WAAD96	Tefki Branch
41	WAAD41	Efoyta Branch	97	WAAD97	Teji Branch
42	WAAD42	Ehil Berenda Branch	98	WAAD98	Teklehaimanot Branch
43	WAAD43	Enseno Branch	99	WAAD99	Tero Trafic Sefer Branch
44	WAAD44	Eri Zaf Branch	100	WAAD100	Tesfa Dirjet Akababi Branch
45	WAAD45	Ersha Branch	101	WAAD101	Tollay Branch
46	WAAD46	Eyesus Gedam Branch	102	WAAD102	Tor Hailoch Branch
47	WAAD47	Gara Bolo Branch	103	WAAD103	Torra Branch
48	WAAD48	Geja Sefer Branch	104	WAAD104	Tropical Branch
49	WAAD49	Geresu Duki Branch	105	WAAD105	Tulu Bolo Branch
50	WAAD50	Gindo Branch	106	WAAD106	Welete Branch
51	WAAD51	Girar Branch	107	WAAD107	Werabe Branch
52	WAAD52	Gojam Berenda Branch	108	WAAD108	Weyra Branch
53	WAAD53	Goma Tera Branch	109	WAAD109	Woliso Branch
54	WAAD54	Gubrie Branch	110	WAAD110	Wolkite Branch
55	WAAD55	Gudina Branch	111	WAAD111	Yejoka Branch
56	WAAD56	Gunchire Branch	112	WAAD112	Zenebe Work Branch

ANNEX-03b
SAMPLING FRAME- BRANCHES
EAST ADDIS ABABA DISTRICT

S.N	Code	Branches	S.N	Code	Branches
1	EAAD1	Adwa Park Branch	51	EAAD51	Kara Branch
2	EAAD2	Africa Avenue Branch	52	EAAD52	Karamara Branch
3	EAAD3	Agoza Gebeya Branch	53	EAAD53	Kazanchis Branch
4	EAAD4	Airport Branch	54	EAAD54	Kokeb Akababi Branch
5	EAAD5	Alelitu Branch	55	EAAD55	Korea Hospital Branch
6	EAAD6	Andinet Branch	56	EAAD56	Kotebe Ankorecha Branch
7	EAAD7	Ankober Branch	57	EAAD57	Kotebe Branch
8	EAAD8	Atse Zereyakob Branch	58	EAAD58	Kotebe Kidanemihret Branch
9	EAAD9	Awraris Akababi Branch	59	EAAD59	Lambret Branch
10	EAAD10	Ayat Adebabay Branch	60	EAAD60	Lege Jida Branch
11	EAAD11	Ayer Amba Michael Branch	61	EAAD61	Lege Tafo Branch
12	EAAD12	Balderas Branch	62	EAAD62	Lem Area Branch
13	EAAD13	Bambis Branch	63	EAAD63	Lemi Industrial Park Branch

14	EAAD14	Beshalle Branch	64	EAAD64	Loke Branch
15	EAAD15	Bole Branch	65	EAAD65	Megenagna Branch
16	EAAD16	Bole Gorgorios Branch	66	EAAD66	Mehal Meda Branch
17	EAAD17	Bole Medhanealem Branch	67	EAAD67	Mendida Branch
18	EAAD18	Bole Michael Branch	68	EAAD68	Meri Branch
19	EAAD19	Bole Road Branch	69	EAAD69	Meseret Defar Branch
20	EAAD20	Bulga Branch	70	EAAD70	Meskel Flower Branch
21	EAAD21	Cargo Terminal Branch	71	EAAD71	Meskel Gebeya Branch
22	EAAD22	Chacha Branch	72	EAAD72	Meskel Square Branch
23	EAAD23	China Africa Branch	73	EAAD73	Misrak Dil Akababi Branch
24	EAAD24	CMC Branch	74	EAAD74	Molale Branch
25	EAAD25	CMC Michael Branch	75	EAAD75	Olompia Branch
26	EAAD26	Debebe H/Yohnnes Branch	76	EAAD76	Peacock Menafesha Branch
27	EAAD27	Debre Berhan Branch	77	EAAD77	Salite Mhiret Branch
28	EAAD28	Debre Eba Branch	78	EAAD78	Sefera Akababi Branch
29	EAAD29	Deneba Branch	79	EAAD79	Sela Dingay Branch
30	EAAD30	Diaspora Adebabay Branch	80	EAAD80	Sendafa Branch
31	EAAD31	ECA Branch	81	EAAD81	Shalla Akababi Branch
32	EAAD32	Ednamol Branch	82	EAAD82	Sheno Branch
33	EAAD33	Emperial Akababi Branch	83	EAAD83	Shobe Ayat Branch
34	EAAD34	Enderase Branch	84	EAAD84	Shola Gebeya Branch
35	EAAD35	Endodie Branch	85	EAAD85	Summit Branch
36	EAAD36	Enewari Branch	86	EAAD86	Tafo Mebrat Branch
37	EAAD37	Ethio China Road Branch	87	EAAD87	Tebassie Branch
38	EAAD38	Gebriel Mesalemia Branch	88	EAAD88	Tefera Degefie Branch
39	EAAD39	Gerji Branch	89	EAAD89	Tele Medhanialem Branch
40	EAAD40	Gerji Giorgis Branch	90	EAAD90	Terminal Branch
41	EAAD41	Gerji Mebrat Branch	91	EAAD91	Tsehay Mewcha Branch
42	EAAD42	Ginager Branch	92	EAAD92	Tulu Berek Branch
43	EAAD43	Goro Adebabaye Branch	93	EAAD93	Urael Branch
44	EAAD44	Gurd Shola Branch	94	EAAD94	Woji Branch
45	EAAD45	Haile G/Silassie Branch	95	EAAD95	Wollo Sefer Branch
46	EAAD46	Hailemariam Mamo Branch	96	EAAD96	Wuha Limat Branch
47	EAAD47	Harbu Guba Branch	97	EAAD97	Yeka Branch
48	EAAD48	Haya Arat Akababi Branch	98	EAAD98	Yerer Ber Branch
49	EAAD49	Haya Hulet Mazoria Branch	99	EAAD99	Zemero Branch
50	EAAD50	Jakros Square Branch			

ANNEX-03c

SAMPLING FRAME- BRANCHES
NORTH ADDIS ABABA DISTRICT

S.N	Code	Branches	S.N	Code	Branches
1	NAAD1	41 Eyesus Branch	54	NAAD54	Jeldu Branch
2	NAAD2	Abebe Bikila Branch	55	NAAD55	Kebena Branch
3	NAAD3	Abune Petros Branch	56	NAAD56	Kechene Branch
4	NAAD4	Abware Branch	57	NAAD57	Keta Medhanialem Branch
5	NAAD5	Addis Ababa Branch	58	NAAD58	Ketero Branch
6	NAAD6	Addis Alem Branch	59	NAAD59	Kidiste Mariam Branch
7	NAAD7	Addisu Gebeya Branch	60	NAAD60	Kokebe Tsibah Branch
8	NAAD8	Adwa Dildey Branch	61	NAAD61	Lege Dima Branch
9	NAAD9	Alem Ketema Branch	62	NAAD62	Leku Keta Branch
10	NAAD10	Ambo Branch	63	NAAD63	Lemi Branch
11	NAAD11	Arada Ghiorgis Branch	64	NAAD64	Mahteme Ghandi Branch
12	NAAD12	Arat Kilo Branch	65	NAAD65	Mehal Ketema Branch
13	NAAD13	Arbegnoch Branch	66	NAAD66	Menagesha Branch
14	NAAD14	Asko Branch	67	NAAD67	Menbere Patriarch Branch
15	NAAD15	Atse Minilik Branch	68	NAAD68	Mender 7 Branch
16	NAAD16	Bela Branch	69	NAAD69	Meta Robi Branch
17	NAAD17	Birhanina Selam Branch	70	NAAD70	Mida Branch
18	NAAD18	Buba Branch	71	NAAD71	Mikililand Branch
19	NAAD19	Burayu Branch	72	NAAD72	Minilik Hospital Branch
20	NAAD20	Burka Harbu Branch	73	NAAD73	Muger Branch
21	NAAD21	Chancho Branch	74	NAAD74	Muketuri Branch
22	NAAD22	Chilot Branch	75	NAAD75	Mulo Branch
23	NAAD23	Churchill Godana Branch	76	NAAD76	Olonkomi Branch
24	NAAD24	Debre Tsige Branch	77	NAAD77	Paster Square Branch
25	NAAD25	Degem Branch	78	NAAD78	Piassa Branch
26	NAAD26	Degolo Branch	79	NAAD79	Ras Desta Branch
27	NAAD27	Dejach Wube Branch	80	NAAD80	Ras Mekonnen Branch
28	NAAD28	Dil Ber Branch	81	NAAD81	Rema Branch
29	NAAD29	Dire Bedas Branch	82	NAAD82	Rufael Branch
30	NAAD30	Dire Godo Branch	83	NAAD83	Sansusy Branch
31	NAAD31	Enchine Branch	84	NAAD84	Sebara Babur Branch
32	NAAD32	Enkulal Fabrica Branch	85	NAAD85	Selassie Branch
33	NAAD33	Entoto Branch	86	NAAD86	Semen Gebeya Branch
34	NAAD34	Farisi Branch	87	NAAD87	Semen Mazegaja Branch

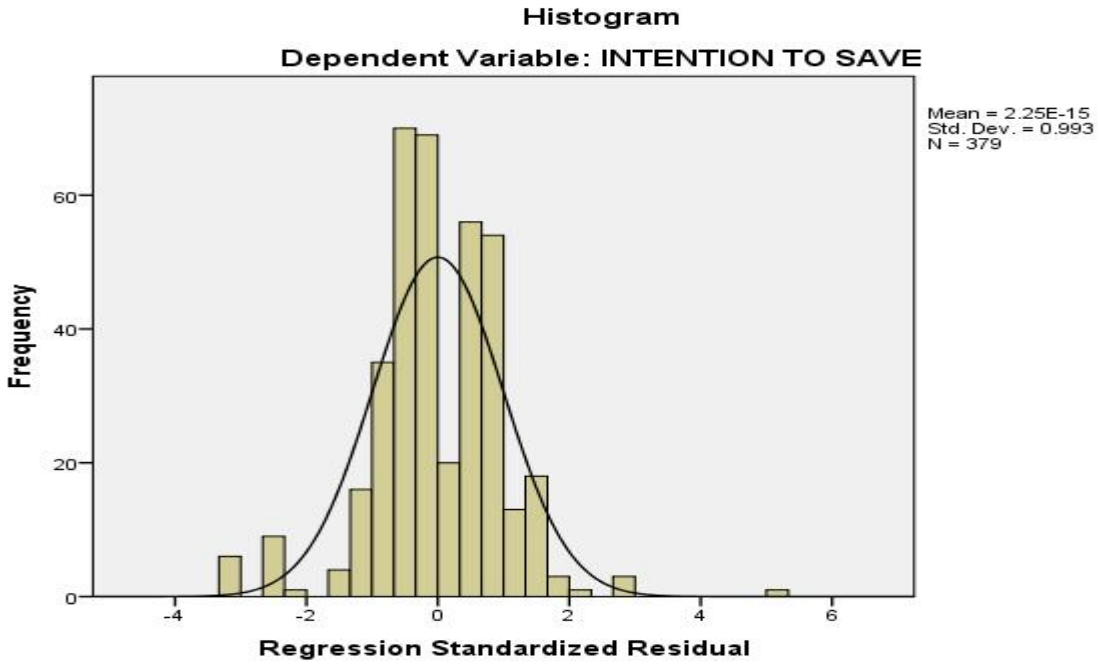
35	NAAD35	Fenance Branch	88	NAAD88	Seyo Branch
36	NAAD36	Ferensay Legasion Branch	89	NAAD89	Sheger Branch
37	NAAD37	Fetra Branch	90	NAAD90	Shegole Branch
38	NAAD38	Filwuha Branch	91	NAAD91	Shenen Branch
39	NAAD39	Fitche Branch	92	NAAD92	Shiro Meda Branch
40	NAAD40	Gebre Guracha Branch	93	NAAD93	Sidist Kilo Branch
41	NAAD41	Gedam Sefer Branch	94	NAAD94	Silk Amba Branch
42	NAAD42	Gefersa Branch	95	NAAD95	Sululta Branch
43	NAAD43	Genet Tsigie Branch	96	NAAD96	Tayitu Bitul Branch
44	NAAD44	Ginchi Branch	97	NAAD97	Theodros Square Branch
45	NAAD45	Ginde Beret Branch	98	NAAD98	Tikur Anbessa Branch
46	NAAD46	Goha Tsion Branch	99	NAAD99	Tsion Condominium Branch
47	NAAD47	Guder Branch	100	NAAD100	Tulu Selale Branch
48	NAAD48	Gullele Branch	101	NAAD101	Welmera Branch
49	NAAD49	Gundo Meskel Branch	102	NAAD102	Weserbi Branch
50	NAAD50	Hamle 19 Branch	103	NAAD103	Wingate Branch
51	NAAD51	Hidebu Abote Branch	104	NAAD104	Yared Branch
52	NAAD52	Holeta Branch	105	NAAD105	Yaya Gullele Branch
53	NAAD53	Huluka Branch	106	NAAD106	Yohannes Branch

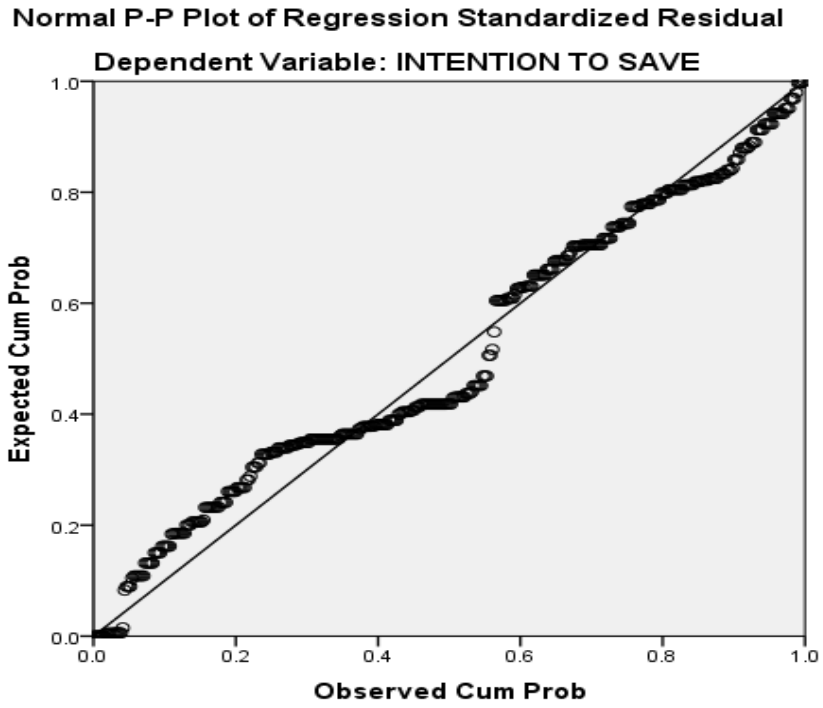
ANNEX-03d
SAMPLING FRAME- BRANCHES
SOUTH ADDIS ABABA DISTRICT

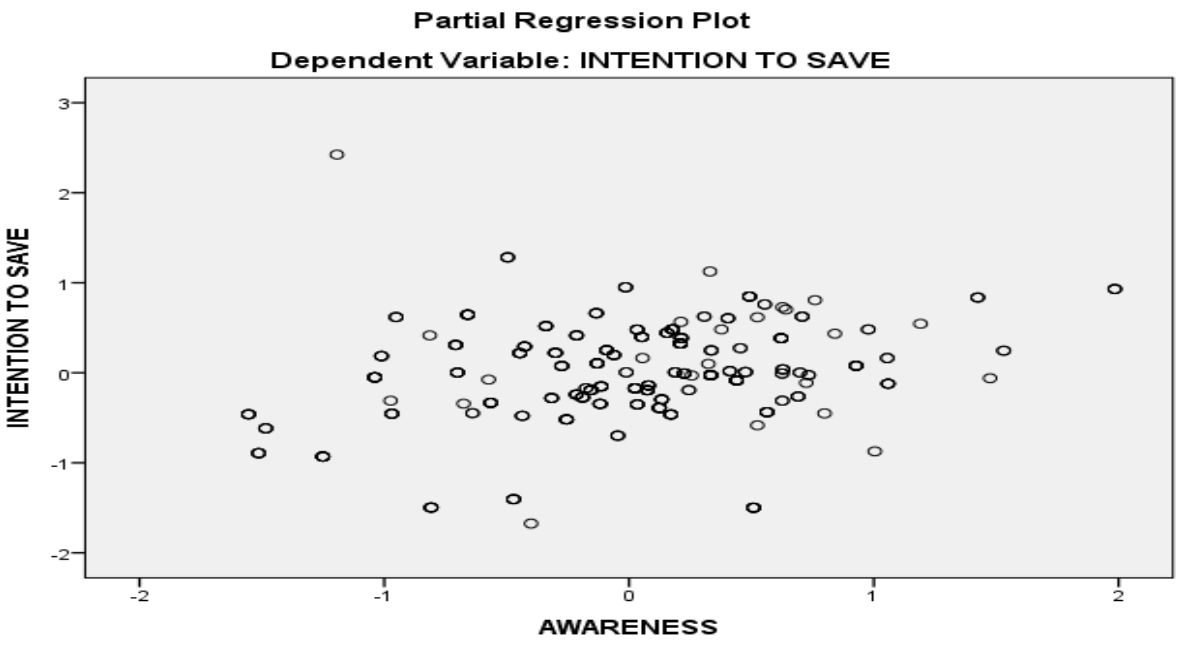
S.N	Code	Branches	S.N	Code	Branches
1	SAAD1	Abo Mazoria	46	SAAD46	Kera
2	SAAD2	Adea	47	SAAD47	Kilinto
3	SAAD3	Adey Abeba	48	SAAD48	Kirkos Kebele
4	SAAD4	Africa Union Branch	49	SAAD49	Kotari Condo
5	SAAD5	Akaki	50	SAAD50	Kurkura
6	SAAD6	Balcha Abanefso	51	SAAD51	Lafto
7	SAAD7	Behere Tsige	52	SAAD52	Lafto Saadeqa
8	SAAD8	Beklo Bet	53	SAAD53	Lafto View
9	SAAD9	Beseka	54	SAAD54	Lebu
10	SAAD10	Bishoftu	55	SAAD55	Lebu Varnero
11	SAAD11	Bishoftu Meneharia	56	SAAD56	Lemlem Tabiya
12	SAAD12	Bole Bulbula	57	SAAD57	Lideta
13	SAAD13	Bulbula 93 Mazoria	58	SAAD58	Lideta Mariam
14	SAAD14	Bulgarya Mazoria	59	SAAD59	Maremia Bet Akababi
15	SAAD15	Buna Board	60	SAAD60	Mebrat Condominium

16	SAAD16	Chefe Donsa	61	SAAD61	Mekanisa Condominium
17	SAAD17	Cherallia	62	SAAD62	Mekanisa Good Shipered
18	SAAD18	Dil Gebeya	63	SAAD63	Mekanisa Michael
19	SAAD19	Dukem	64	SAAD64	Mekanissa
20	SAAD20	Ehel Depo	65	SAAD65	Melkashene Mazoria
21	SAAD21	Ertu Lebu	66	SAAD66	Meshualekia
22	SAAD22	Finfine	67	SAAD67	Mexico
23	SAAD23	Furi	68	SAAD68	Minasie Lema
24	SAAD24	Gara Duba	69	SAAD69	Nefas Silk
25	SAAD25	Gelan	70	SAAD70	Oda Nebie
26	SAAD26	Gezahegn Yilma	71	SAAD71	Popolare
27	SAAD27	Gofa Camp	72	SAAD72	Pushkin Adebabay
28	SAAD28	Gofa Gebriel	73	SAAD73	Salo Gora
29	SAAD29	Gofa Mazorya	74	SAAD74	Sarbet
30	SAAD30	Gofa Mebrat	75	SAAD75	Saris
31	SAAD31	Gofa Sefer	76	SAAD76	Saris 58 Mazoria
32	SAAD32	Gotera	77	SAAD77	Saris Abo
33	SAAD33	Gotera Condominium	78	SAAD78	Saris Addisu Sefer
34	SAAD34	Gottera Masalecha	79	SAAD79	Saris Kidanemihiret
35	SAAD35	Hanna Mariam	80	SAAD80	Seferian
36	SAAD36	Hiwot Amba	81	SAAD81	Sengatera
37	SAAD37	Hora-Arsedi	82	SAAD82	Shell Depo
38	SAAD38	Jati	83	SAAD83	Stadium
39	SAAD39	Jemu	84	SAAD84	Tedecha
40	SAAD40	Joshansson	85	SAAD85	Teka Ageno
41	SAAD41	Kajima	86	SAAD86	Temenja Yaj
42	SAAD42	Kaliti	87	SAAD87	Torban Gerban
43	SAAD43	Kaliti Gebriel	88	SAAD88	Tulu Dimtu
44	SAAD44	Kaliti Wuhalimat	89	SAAD89	Worku Sefer
45	SAAD45	Karl Adebabay	90	SAAD90	Yoseph

Annex 04: Charts



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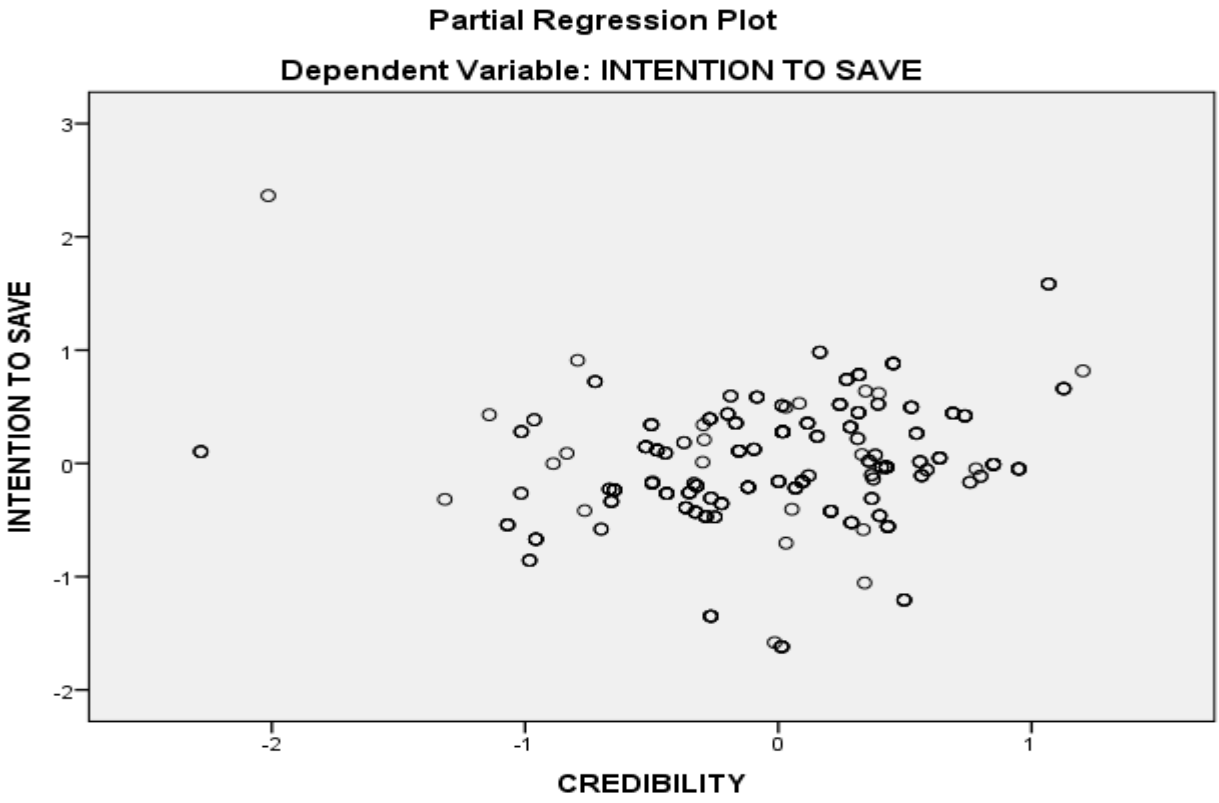
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-2
-1
0
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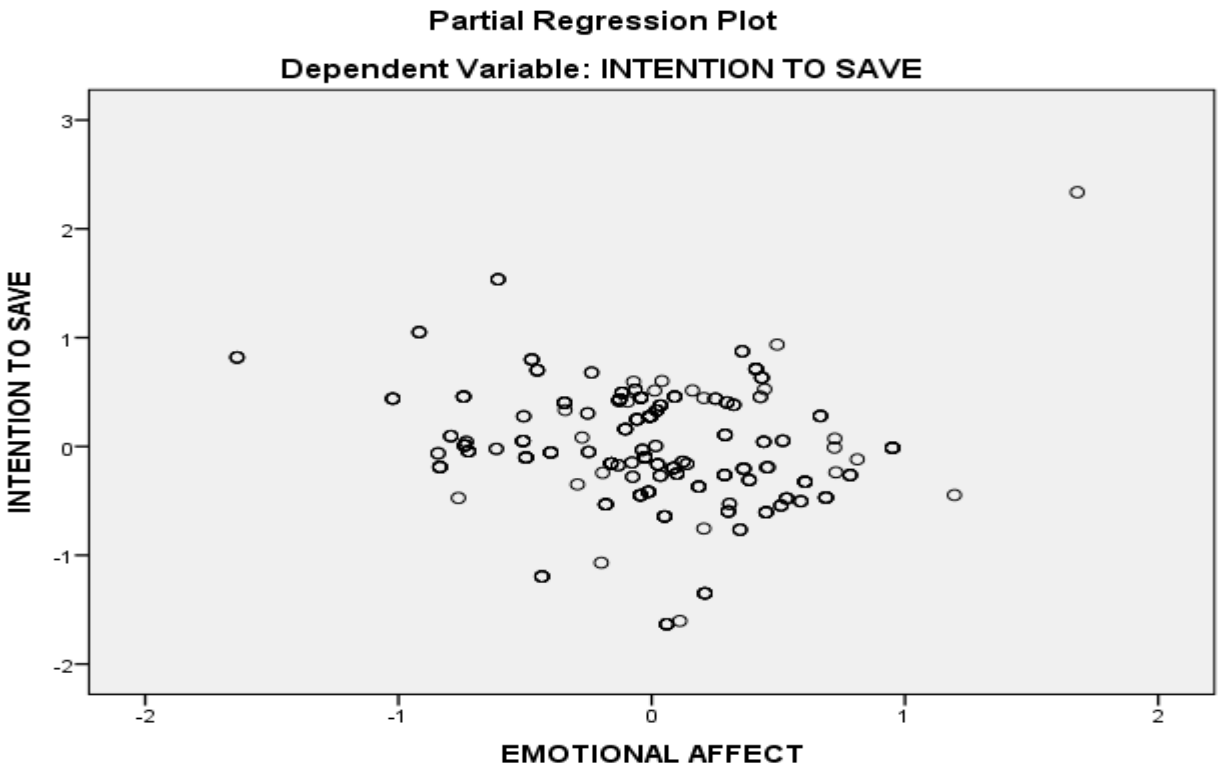
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INTENTION TO SAVE
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2
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-2
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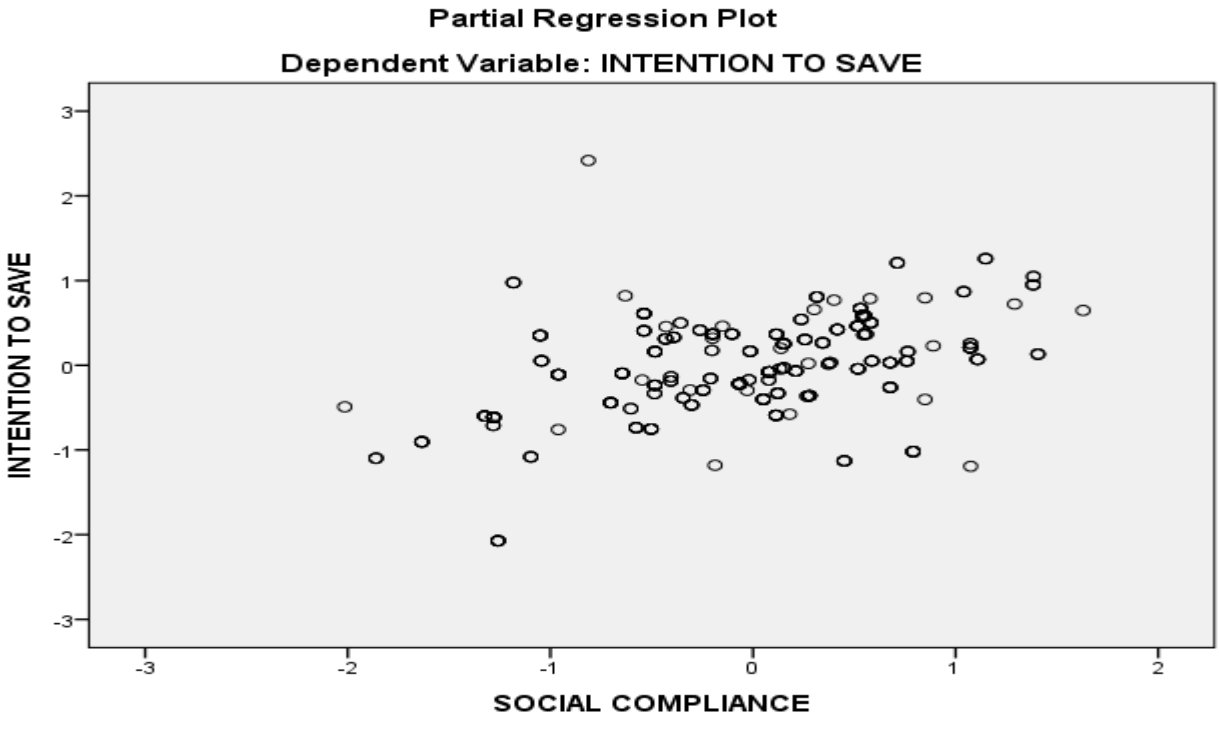
0
1
2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Dependent Variable: INTENTION TO SAVE
INTENTION TO SAVE
SOCIAL COMPLIANCE
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-2
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-2
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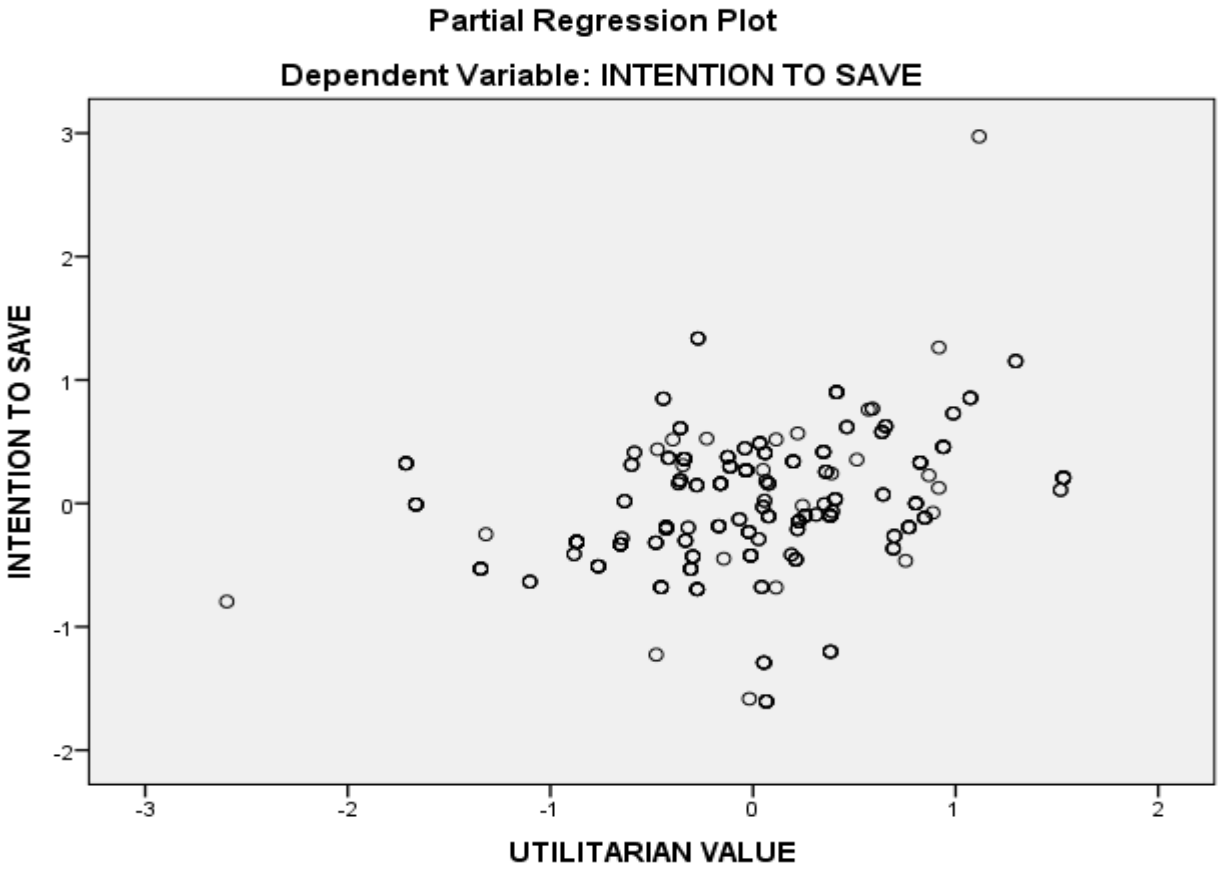
1
2


Partial Regression Plot
Dependent Variable: INTENTION TO SAVE
INTENTION TO SAVE
UTILITARIAN VALUE
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-2
-3
-2
-1
0
1
2

Annex 05: Population and Sample Size By Branches

S.N	District	Name of sampled Branches	Total # of saving account holders	Number of sample respondents	Total
1	EAAD	Bole Michael Branch	9,131	14	
2	EAAD	Gerji Branch	51,444	15	
3	EAAD	Lega Tafo Branch	20,314	15	
4	EAAD	Salite Mihiret Branch	20,938	15	
5	EAAD	Shola Gebeya Branch	23,770	14	
6	EAAD	Wuha Limat Branch	18,246	15	88
7	WAAD	Alem Gena Branch	24,463	16	
8	WAAD	Ayer Tena Branch	56,136	17	
9	WAAD	Kara Kore Branch	1,196	13	
10	WAAD	Sebeta Branch	2,222	16	
11	WAAD	Sidamo Tera Branch	62,544	15	
12	WAAD	Teklehaimanot Branch	14,604	16	
13	WAAD	Gojam Berenda Branch	4,063	16	109
14	NAAD	Ambo Branch	50,457	16	
15	NAAD	Asko Branch	29,730	14	
16	NAAD	Burayu Branch	30,023	14	
17	NAAD	Gullele Branch	71,727	14	
18	NAAD	Piassa Branch	10,939	15	
19	NAAD	Selassie Branch	100,459	18	
20	NAAD	Semen Mazegaja	5,210	16	107
21	SAAD	Adea Branch	23,910	18	
22	SAAD	Bishoftu Branch	79,859	20	
23	SAAD	Gofa Mazoria Branch	5,269	12	
24	SAAD	Oda Nebie Branch	3,978	12	
25	SAAD	Saris Branch	2,228	18	80
		Grand total	**722,860**	**384**	**384**